Daily Report

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FBIS-LAT-88-240 *14 December 1988*

CONTENTS

NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

INTER-AMERICAN AFFAIRS

Area Centrists, Liberals Ask Noriega To Leave *[ACAN]* 1
Salvadoran Minister on Summit Complications *[AFP]* 1

CARIBBEAN

Cuba

Signing of Brazzaville Protocol Announced 2
Event's Significance Noted *[Havana Radio]* 2
Document Changes Unnecessary *[Havana Radio]* 2
Verification 'Meddling' To End *[Havana Radio]* 2
Main Agreements Noted *[Havana TV]* 3
Alarcon Speaks at Ceremony *[Havana TV]* 3
Angolan President To Visit From 16-19 Dec *[Havana TV]* 4
Havana, Other Areas Said Ready for Defense *[Havana Radio]* 4
Assistance to Earthquake Victims Continue 5
Petrov on Solidarity *[Havana TV]* 5
CDR Sends Condolences *[Havana TV]* 5
More Medical Aid Sent *[Havana TV]* 5
Castro Visits, Tours Robotics Center *[Havana Radio]* 6
Radio Venceremos Cited on Salvadoran Truce *[Havana Radio]* 6
Doctors Participate in AIDS Teleconference *[Havana Radio]* 6
Second Weekly Flight Authorized to Paris *[Havana Radio]* 6
Wave of Sanctions Within Armed Forces Noted *[Port-au-Prince Radio]* 6

MEXICO

New Economic Solidarity Pact Announced *[Mexico City TV]* 8
More Oil Reserves Needed To Meet Demand *[EXCELSIOR 10 Dec]* 8

CENTRAL AMERICA

El Salvador

Foreign Minister on Verification Commission *[San Salvador TV]* 9
Defense Minister on Strategy, U.S. Policy *[San Salvador TV]* 9
FMLN Claims 16 Army Casualties in Cuscatlan *[Radio Venceremos]* 10
4-11 Dec Actions Reported *[Radio Venceremos]* 10

Honduras

Azcona Discusses Contras, Regional Solution *[TIEMPO 13 Dec]* 10
Congress Approves Reforms; Strike Ends *[Tegucigalpa Radio]* 11

Nicaragua

5 Dec Interview With Ortega Published *[Mexico City UNOMASUNO 6 Dec]* 12
Defense Ministry Reports Honduran Harassment *[ACAN]* 13
RN Leader Sanchez Says 'War Will Continue' *[Madrid EFE]* 13

Contras Ambush Government Vehicle in Chontales *[Managua Radio]* 14
Communist Leader on Anniversary Celebration *[Managua Radio]* 14
Disaster Aid From Soviet Union Arrives *[BARRICADA 12 Dec]* 14
2,000 Nicaraguans Reportedly Studying in USSR *[Managua Radio]* 15
* CDS Charged With Harboring 'Somozists' *[LA PRENSA 30 Nov]* 15
* Editorial Analyzes Verification Problems *[BARRICADA 2 Dec]* 16

Panama

Ritter Discusses Domestic, Regional Issues 17
Interviewed in Mexico *[Mexico City EL DIA 5 Dec]* 17
Comments on U.S. Bases *[LA REPUBLICA 13 Dec]* 19
Opposition Leader on Noriega Regional 'Threat' *[Guatemala City TV]* 19
PPA Internal Problems Lead To Split 20
Board of Directors Elected *[LA ESTRELLA DE PANAMA 12 Dec]* 20
Nicosia Denies Ties With Regime *[Panama City TV]* 21
Pact With PALA Denied *[Panama City TV]* 21
PPA Faction Expels Nicosia *[Panama City TV]* 21
Further on Internal Rift *[Panama City TV]* 22
Liberal Party Denies Withdrawal From UNADE *[Panama City TV]* 23
Commerce Minister Discusses State of Economy *[MEDIODIA 12 Dec]* 23
Reduction in Government Workers Possible *[MEDIODIA 12 Dec]* 23
No Dismissals Until 30 Jan *[Panama City TV]* 23

SOUTH AMERICA

Argentina

Panama's Noriega 'Pressured' To Keep Seineldin *[NOTICIAS ARGENTINAS]* 24
Nicaraguan Vice President Arrives for Visit *[TELAM]* 24
Economy Minister Returns From Rio de Janeiro *[Buenos Aires Radio]* 24
Chief of Staff Names New Military Commanders *[NOTICIAS ARGENTINAS]* 25
New Air Force Secretary General Installed *[TELAM]* 25

Bolivia

Ministers Applaud Gorbachev's Proposal on Debt *[Madrid EFE]* 25

Brazil

Nobrega on Finance Minister's Meeting *[FOLHA DE SAO PAULO 11 Dec]* 25
Communist Party Leader on Strengthening Democracy *[Budapest NEPSZABADSAG 9 Dec]* 26
Military Ministers Oppose Disclosing Data *[O GLOBO 6 Dec]* 27
PT Proposes 'Emergency Economic Program' *[O GLOBO 12 Dec]* 27
Bank of Brazil Reports November Trade Surplus *[Brasilia Radio]* 28

Chile

Government Recognizes Palestinian Homeland *[Santiago Radio]* 28
Ambassador Sends Condolences to Soviet Colleague *[Santiago Radio]* 28
Torres Named Army Judge Advocate General *[Santiago Radio]* 28
National Socialist Party Leader's Home Bombed *[Santiago Radio]* 29
Carabineros Station Attacked; No Victims *[Santiago Radio]* 29

Colombia

President Approves Budget Law for '89 Fiscal Year *[EL SIGLO 6 Dec]* 29
FARC, M-19 Begin Cease-Fire in Tolima *[EL TIEMPO 9 Dec]* 30
PCC Leader on Rebels, Constitutional Amendments *[Bogota TV]* 30
Military Appointments, Promotions Reported *[EL TIEMPO 7 Dec]* 30

Paraguay

Archbishopric 'Condemns' Violence During March *[EL DIARIO 13 Dec]* 30
Arrested Leaders Begin Hunger Strike, 4 Released *[HOY 13 Dec]* 31
Police Arrest HOY, Radio Caritas Reporter *[HOY 13 Dec]* 31
Central Bank President on Debt Renegotiation *[HOY 13 Dec]* 31
Correction to Bank Proposes Exchange Rate 32

Peru

Garcia Discusses 'Economic, Social Crisis' *[Barcelona LA VANGUARDIA 25 Nov]* 32
Shining Path Kills 7 Engineers in 8 Days *[Madrid EFE]* 33
Shining Path Commando Kills Army Captain *[Madrid EFE]* 33

Venezuela

* Perez' Government Program Presented *[EL NACIONAL 13 Nov]* 33
* Political Program Viewed *[EL NACIONAL 10 Nov]* 34
* Economic Program Analyzed *[EL NACIONAL 12 Nov]* 35
Police Arrest U.S. Citizen With Cocaine *[Caracas TV]* 36

Guyana

Hoyte Announces Bauxite Industry Rehabilitation *[CANA]* 36

Suriname

Government, Civil Service Workers Agreement *[Paramaribo Radio]* 37
Labor Party Holds 2d Congress, Reelections *[Paramaribo Radio]* 37

Area Centrists, Liberals Ask Noriega To Leave

PA1312210288 Panama City ACAN in Spanish
1925 GMT 13 Dec 88

[Text] Guatemala City, 13 Dec (ACAN - EFE)—Central American and Caribbean basin liberal and centrist leaders today in Guatemala made a "vigorous" call for General Manuel Antonio Noriega, chief of the Panama Defense Forces, to relinquish power and "respect the will of the Panamanian people."

Jorge Carpio Nicolle, Union of the National Center leader, a main Guatemalan opposition force, told ACAN-EFE that the liberal and centrist leaders of the area are "convinced that the great problems experienced by Panama can only be overcome with a national unity transition government."

The liberal and centrist leaders of Panama, Nicaragua, the Dominican Republic, Guatemala, Grenada, Venezuela, Costa Rica, and Mexico held their third international seminar in Antigua, Guatemala, 45 km west of Guatemala City, to study their "political strategies" for the area.

After 3 days of meetings, the liberal and centrist leaders signed a document expressing their "total and staunch support" for the efforts of Panamanian opposition parties and the Civic Crusade in "rebuilding" democracy in that country.

"We are making a vigorous call to the Panama Defense Forces, especially its commander, General Manuel Antonio Noriega, to respect the wishes of the vast majority of Panamanians," Carpio Nicolle said.

The Guatemalan politician added that Gen Noriega has been asked to "step down as head of the Armed Forces and that soldiers be sent back to their barracks."

Salvadoran Minister on Summit Complications

PA1412030488 Paris AFP in Spanish
2329 GMT 13 Dec 88

[Text] San Salvador, 13 Dec (AFP)—Salvadoran Foreign Minister Ricardo Acevedo has warned that the Central American summit scheduled for 15-16 January in San Salvador may be postponed again if the foreign ministers of the area do not reach prior agreements to support the meeting.

"The summit would be useless if the foreign ministers of the region do not reach agreements which would create verification commissions for the security and policy agreements provided by the Esquipulas II peace agreements," at the meetings on 13-14 January, in Managua, prior to the president's meeting in San Salvador."

He added, however, that any bilateral problem that arises at the last minute will not prevent the president's meeting.

"I believe that the specific agreements we reached in Mexico City at the beginning of this month have made it possible for the presidents to meet again," he said. He added that "the country that does not comply with these agreements will be responsible for the suspension of the summit."

Acevedo affirmed that so far there is a positive climate for the presidents to review the Esquipulas II peace plan at the January summit.

The Salvadoran foreign minister made these statements after meeting with Angel Reyes, Puerto Rico's under secretary of foreign affairs, who invited President Napoleon Duarte to attend the inauguration of Governor Rafael Hernandez Colon for his second consecutive term on 2 January.

Cuba

Signing of Brazzaville Protocol Announced

Event's Significance Noted

FL1312190788 Havana Radio Rebelde Network in Spanish 1800 GMT 13 Dec 88

[Station Commentary]

[Text] The Brazzaville protocol was signed just a few moments ago in the capital of the People's Republic of the Congo.

It was signed by the representatives of Angola, Cuba, and South Africa under the mediating supervision of the United States. This, without a doubt, is an event of the utmost significance in international policy. The text defines what could lead to peace in southwest Africa. The Governments of Cuba and Angola expect this and have acted toward this end result.

Overall, the quadripartite negotiations leading to the agreement's signing were said to have been long, complex, laborious, but substantive.

Considered in their totality, the agreements signed today, in addition to the ones that will be signed in New York, signify the independence of Namibia based on UN Security Council Resolution 435, peace and security for the People's Republic of Angola, and the gradual withdrawal of Cuban internationalist troops from that brother country.

In respect to Cuba, these results can no less than inspire a feeling of satisfaction. The country's leaders have worked patiently but with their proverbial firmness. No principle was sacrificed and Cuba once again demonstrated its responsibility and seriousness in this matter, as well as in other areas.

The country, as Fidel has proclaimed on more than one occasion, did not pursue military victories. Without regard to what the correlation of forces was, the country always called for worthy, decorous, political formulas based on ethics, morale, and solid and unbreakable principles.

Our soldiers tenaciously defended their positions every time and no one failed to do their duties as ordered. We do not want vainglories. We do not aspire toward this. However, without a doubt, the pages of the Cuban combatants' proven heroism and sacrifice in Angola will be written in golden letters in the history of world internationalism.

Document Changes Unnecessary

FL1312152888 Havana Radio Reloj Network in Spanish 1502 GMT 13 Dec 88

[Text] The discussion of the Brazzaville Protocol, which took Cuba, Angola, South Africa, and the United States—as mediator—to this Congolese capital on five occasions, was finally signed today in hopes of reaching a peaceful solution to the southwest Africa [conflict]. The document is basically the same one which caused the sudden withdrawal of the South African delegation in Brazzaville when it's signing was imminent at the beginning of this month.

The protocol establishes the date for signing the accord among the negotiating countries and the beginning of the implementation of UN Security Council Resolution 435 which describes the end of South African occupation in Namibia and establishes independence for this country.

In line with accords already adopted by Angola, Cuba, South Africa, and the United States in their New York meeting last summer, the resolution should be implemented in its entirety without modifications.

Verification 'Meddling' To End

FL1312183188 Havana Radio Rebelde Network in Spanish 1800 GMT 13 Dec 88

[Text] The Brazzaville Protocol on southwest Africa was signed today in Brazzaville by representatives from Angola, Cuba, South Africa, and the United States as mediator.

In its first paragraph, the document recommends to the UN secretary general that Resolution 435 providing for the complete independence of Namibia, which is occupied by South Africa, be implemented next 1 April.

According to the protocol, it was also agreed to sign the final agreements in New York on 22 December. These agreements are in the form of a tripartite accord between Angola, Cuba, and South Africa; and a bilateral agreement between Havana and Luanda to decide on the method of withdrawing the Cuban internationalists from Angolan territory.

The spokesman for the Cuban delegation to the quadripartite conference, Alcibiades Hidalgo, said the Brazzaville Protocol eliminates all of South Africa's hopes of meddling in the process of verifying Cuba's withdrawal from Angola.

South Africa, added Hidalgo, despite refusing to sign the agreement just a week ago, today came to Brazzaville to sign a protocol whose only substantial change has been to postpone the date of Namibia's independence until 1 April.

This South African demand, stressed the spokesman, is motivated by internal political reasons because the party in power is obviously seeking to link that date to the parliamentary elections in South Africa.

The Angolan, and Cuban delegation, said Hidalgo always maintained throughout the course of the negotiations that 6 weeks was sufficient between the signing of the final agreements and the start of the plan on Namibia's independence. He revealed that the date of 1 April was accepted so that the matter would not be an obstacle to concluding the negotiations. In this way, South Africa has made a new commitment to the long-delayed independence of Namibia.

Cuba, stressed Hidalgo, considers it very satisfactory that the Brazzaville Protocol recognizes the need for economic and financial support for the agreement's application. He said that this corresponds to the statements made by Angola and Cuba on the difficulties that the withdrawal phases agreed upon would cause to their respective countries' economies.

The conclusion of the Brazzaville stage, said Hidaglo, opens the way for the signing of the tripartite agreement which contains all the elements for the global solution to the conflict in the southwest Africa.

Main Agreements Noted

FL1412024588 Havana Television Service in Spanish 0l00 GMT 14 Dec 88

[Text] The participants in the eleventh round of the quadriparitite talks gave copies of the protocol to accredited press in Brazzaville. The text expresses gratitude to Congolese President Denis Sassou-Nguesso for his contribution to peace in southwest Africa and the hospitality he extended.

The parties confirmed their commitment to act according to the principles signed in New York, last June—each of which is important for a global solution—as well as to the agreements reached in Geneva last August. They also ratified the agreement reached on 15 November in the Swiss city; and they urged the international community to provide economic and financial support for the implementation of all aspects of this agreement.

The Brazzaville protocol includes four agreements:

1. To recommend to the UN secretary general that 1 April 1989 be established as the date for implementation of UN Security Council Resolution 435.
2. To meet on 22 December in New York for the signing of a tripartite agreement and an Angola-Cuba bilateral agreement.
3. To exchange prisoners of war; and
4. To establish a joint commission to facilitate solutions and other purposes mutually agreed upon.

The parties invited the United States and the Soviet Union to participate as observers of the commission. The government to be formed in independent Namibia will also participate in the commission. The commission will be formed 30 days after the signing of the tripartite agreement, and it will establish its own working regulations.

Furthermore, it is emphasized that the commission's work will not prejudice the right of the parties to present any case to the UN Security Council, or their right to seek other means of solving disputes according to international law.

Alarcon Speaks at Ceremony

FL1412130488 Havana Tele-Rebelde Network in Spanish 1200 GMT 14 Dec 88

[Text] Cuban Vice Foreign Minister Ricardo Alarcon stressed in Brazzaville the heroism of the Angolan and Cuban internationalist troops. He said this heroism was the factor that opened the way for a negotiated solution in the southwest Africa. These factors, he added, are also profound and powerful. He said he felt obligated to express his eternal gratitude to those, who with their blood, fighting, and heroism forced the pens to sign the Brazzaville protocol.

In this regard, Alarcon reiterated that the Angolan people and the combatants of that country—whom he described as heroic—as well as the Cuban troops, will continue to be firm bastions of independence and liberty.

Speaking in front of the Congolese President Denis Sassou-Nguesso and the delegations from Angola, the United States, and South Africa, Alarcon stressed that a long-lasting peace in the area will allow the Angolan people to live in peace and Namibia to attain its independence.

In his speech, the Cuban vice foreign minister said that the essential elements of the protocol are peace and security for Angola, as well as the total independence of Namibia. Alarcon stressed that with the signing of the protocol, an effective commitment has been made that will soon be reflected in the agreements to be signed in New York.

The Cuban representative's remarks were received with a strong and prolonged applause from those present at the main hall of the People's Palace in the capital of the People's Republic of the Congo, where the signing ceremony took place.

Upon signing the protocol, the parties confirmed their commitment to act according to the principles signed in New York last July, each of which is important for a global solution, and the understandings reached in August in Geneva. They also ratified the 15 November agreement signed in Geneva and called on the international community to provide economic and financial support for the accord's application.

Angolan President To Visit From 16-19 Dec

FL1412122588 Havana Tele-Rebelde Network in Spanish 1200 GMT 14 Dec 88

[Text] At the invitation of Commander in Chief Fidel Castro Ruz, first secretary of the PCC and president of the Councils of State and Ministers of the Republic of Cuba, Comrade Jose Eduardo dos Santos, president of the MPLA [Popular Movement for the Liberation of Angola]-Labor Party and of the People's Republic of Angola, will visit from 16 to 19 December 1988.

Havana, Other Areas Said Ready for Defense

FL1312172588 Havana Domestic Radio Services in Spanish 2134 GMT 5 December 88

[Documents declaring Havana ready for defense, first stage, read by Brigadier General Urbelino Betancourt, first deputy chief of the FAR General Staff, during ceremony held at Havana's Revolution Square—live]

[Text] Document with the results of the defense preparedness inspection of Havana City Province. In accordance with the request made by Comrade Jorge Lezcano Perez, first secretary of the PCC Provincial Committee in Havana City Province, and with the prior approval of Army General Raul Castro Ruz, second secretary of the PCC Central Committee and minister of the FAR, a national commission headed by Division General Sixto Batista Santana, and composed of leaders and officials of the military department of the PCC Central Committee, state central administration organizations, chiefs and officials of the FAR and Interior Ministry, confirmed the level reached by the province in its defense preparedness from 24 to 27 October 1988.

The provincial and municipal leadership of the party and government; the 15 municipalities; 92 defense zones; 347 enterprises, economic targets, institutions, and entities; 19 units and small units of the Territorial Troops Militia [MTT]; 9 special formations; and 202 production and defense brigades were inspected. The commission took into account the document which establishes the requirements for a province to receive the ready for defense status, first stage, and the inspection plans prepared for this purpose.

Assessing the general results reached in inspections conducted in defense zones, municipalities, the provincial defense council, its general staff, and work organs, Guanabacoa, Plaza de la Revolucion, Boyeros, Regla, and Centro Habana Municipalities received outstanding marks. [applause]

Satisfactory results were reached in mobilization; recruiting; completion; military registry; compliance with FAR requests; preparedness of the leadership organs, cadres, and population; the material study base in which the progress made by the province was demonstrated; the state of the MTT; the preparedness for combat action at sea; the lone exploration system; compliance with the civil defense measures; mobilization preparedness of the economy; people's antiaircraft defense—in which an extensive and sustained work was shown—the state of the reserve, in which with the initiative and effective leadership of the party, they achieved superior quantitative and qualitative progress; the state of weapons and munitions; the protection of state and military secrets; the satisfactory state of internal order and the border guard troops; the marks obtained in the other aspects; and the broad and enthusiastic participation of the people from the capital in defense tasks. It has been decided to declared Havana City Province as ready for defense, first stage. [applause]

The work carried out during this period by the party leadership, the Union of Young Communists, the People's Government, military organs, Interior Ministry, mass organizations, and the people in the province in general, should be noted. They are simultaneously developing a broad construction and comprehensive development plan in the territory. This has allowed them to reach the preparedness levels for defense required for this status. As it is listed in the attached documents, deficient areas were detected during the inspection. Efforts should focus on eradicating them. We urge you to maintain and develop the level reached by the province in defense and production tasks inasmuch as this status is not for life and requires sustained improvement.

Presented in Havana on 5 December 1988, 30th year of the revolution.

The document is signed by the commission's chairman and vice chairman; submitted for its approval to Army General Raul Castro, second secretary of the PCC Central Committee and minister of the FAR, and approved by Commander in Chief Fidel Castro Ruz, first secretary of the PCC Central Committee and president of the National Defense Council. [applause]

Document of the results of the ready for defense inspection of the Steelworking Industry Ministry, Sugar Industry Ministry, Construction Ministry, Public Health Ministry, State Committee for Economic Cooperation, the Republic's General Customs, and the Cuban Academy of Sciences. In accordance to the requests made by the appropriate ministers and presidents, and the prior approval of Army General Raul Castro, second secretary of the PCC Central Committee, inspection commissions were created. They were composed of FAR vice ministers and directorate chiefs. They included chiefs, officers, and officials of the FAR Ministry, the Central Planning Board, the Civil Defense National Staff, several organizations of the state central administration, in addition to leaders and officials of the Military Department and other related departments of the PCC Central Committee.

Between the months of September and November, the commissions confirmed the levels reached by the aforementioned organizations in their defense preparedness taking into account the requirements for organization of the state central administration to obtain ready for defense status, first stage, and the inspection plans created for this purpose.

Assessing the progress made by the aforementioned organizations and their respective systems for defense preparedness, which are shown in the satisfactory results displayed by the leadership organization for times of war, the appropriate paperwork, and training of personnel for the compliance of their missions during that period; the securing level obtained for the compliance of the main missions for defense; the compliance with the preparation of the Civil Defense measures for the protection of personnel and the economy; the progress made in the protection of military secrets; the implementation and securing of the lone exploration system; the marks obtained in over 100 controlled practical activities; and the knowledge reached by workers and leadership personnel on the defense preparedness activities shown in over 10,000 interviews conducted, it has been decided to declare the Steelworking Industry Ministry, Sugar Industry Ministry, Construction Ministry, Public Health Ministry, State Committee for Economic Cooperation, the Republic's General Customs, and the Cuban Academy of Sciences ready for defense, first stage.

The great effort made during the period by the organizations and leadership at various levels, as well as by the workers and their trade organizations, should be noted.

The appropriate documents were signed by the respective commission chairmans; Army General Raul Castro Ruz, second secretary of the PCC Central Committee and minister of the FAR, submitted them for approval; and Commander in Chief Fidel Castro Ruz, first secretary of the PCC Central Committee and president of the National Defense Council, approved them. [applause]

Assistance to Earthquake Victims Continue

Petrov on Solidarity

FL1312202388 Havana Tele-Rebelde Network in Spanish 1800 GMT 13 Dec 88

[Text] The largest earthquake in the history of the Soviet Union has filled all countries of the world with dismay. Forty-six countries are already helping the victims in one way or another. Medical personnel and rescue and foodstuffs specialists are constantly arriving in Armenia to help in the work being performed in damaged areas. Cuba is among the ones sending aid.

USSR Ambassador to Cuba Yuriy Petrov referred to this Cuban aid in an interview today.

[Begin Petrov recording in Russian with simultaneous Spanish translation] I have met with Comrade Fidel several times during the past few days and I have held meetings with Cuban party, state, and government leaders practically every day. I should say sincerely, with all frankness, that, although I have been working as ambassador for only a short period of time, I have noticed the brotherly attitude toward the Soviet people during this time.

In these tragic days, this sentiment of solidarity has been expressed in a special way. We, the Soviets who are far away from the Soviet Union, witnessed in a special way this camradly concern, not only were condolences expressed, but so was a desire to help. [end recording]

CDR Sends Condolences

FL1312162288 Havana Tele-Rebelde Network in Spanish 1200 GMT 13 Dec 88

[Text] Armando Acosta Cordero, national coordinator of the CDR [Committees for the Defense of the Revolution], has sent condolences to the Soviet people via the Soviet ambassador to Cuba.

The message states that the Cubans' grief is an expression of solidarity during the great tragedy that is being experienced by our brothers. It explains how that solidarity is demonstrated materially in the willingness of our CDR members to donate blood, who also consider it a duty to the sons of Lenin's fatherland.

The national coordinator of the CDR said in his letter to Soviet Ambassador Yuri Petrov that the feelings of the Cuban people today are in response to the presence of the Soviets for almost 3 decades during times of endeavor, struggle, and victory.

More Medical Aid Sent

FL1312155888 Havana Tele-Rebelde Network in Spanish 1200 GMT 13 Dec 88

[Text] A new shipment of Cuban aid was sent last night to the Soviet Socialist Republic of Armenia. The plane carried a smaller group of Cuban doctors along with 10 tons of medications, beds, tents, and 20 tons of citrus fruits.

PCC Politburo member Jorge Risquet Valdes and Soviet Ambassador to Cuba Yuri Petrov were present at the Jose Marti International Airport.

[Begin recording] [Unidentified journalist] Does this shipment complete the field hospital? [video shows journalist interviewing Jorge Risquet on airport runway at night]

[Risquet] Well, we are actually going to send them... [changes thought]. Yes, the field hospital is completed. As far as the doctors are concerned, we planned to send 250. The Soviets, however, asked that we send less than that. They later requested that more specialists in certain areas be sent as needed.

The Cuban students in the Soviet Union have reacted with exemplary solidarity. Fifteen senior medical students who speak Russian are going to join the medical brigade. They will also act as interpreters because only a few of the Cuban doctors speak Russian. The doctors will need to communicate with the patients, other medical personnel, authorities, etcetera. We will have this force of doctor-translators, who are senior medical students studying in the USSR. [end recording]

Castro Visits, Tours Robotics Center

FL1412121788 Havana Radio Rebelde Network in Spanish 0019 GMT 14 Dec 88

[Text] Commander in Chief Fidel Castro has visited the new software [preceding word in English] and robotics center located in Vedado, Havana City. He particularly expressed interest in the quality and production costs, and he recommended the completion of some parts still under construction. It is already a semi-factory, said Fidel, when he was told that three tool machines could be installed on the building's first floor which has been designated for the construction of robot prototypes, printed circuits, and paint and welding areas.

The workers gave an extensive briefing to the commander in chief on the design and construction of a robot prototype, which is totally Cuban. He also saw a demonstration of the operations the robot can perform. Fidel asked about the cost of a robot on the international market and was told that it is approximately $120,000. However, the components which were imported to assemble (?this) one and the Cuban only cost $24,000 which could be reduced even more, according to specialists.

Another aspect which caught the commander's attention during this visit was the creation of a numerical control for programmable laths [tornos] which was tested on a training lath. The control will soon be mounted on a German lath at the La Lisa bus factory. Fidel asked if it was possible to mount this control on the laths which were bought in the USSR. Armando Rivero, director of the center, explained that not only could it be mounted, but it may also be compatible with other controls bought in Spain for 7 out of the 30 laths which have been imported from that country. What has been done here is marvelous, said Fidel, as he toured the areas for program construction.

The commander in chief also toured the areas designated for the kitchen, cafeteria, gym, library, and other facilities of this robotics center here in Vedado, Havana City.

Radio Venceremos Cited on Salvadoran Truce

FL1312135588 Havana Radio Progreso Network in Spanish 1200 GMT 13 Dec 88

[Text] Salvadoran rebels have called on Army soldiers to demand that their superiors accept the military truce proposed for Christmas and New Year's. Radio Venceremos said, textually: Attention soldiers: Christmas and New Year's are approaching. Remember that the colonels and generals are going to eat, drink, and surround themselves with luxuries while you remain in the barracks and the battlefields.

Doctors Participate in AIDS Teleconference

FL1312164388 Havana Radio Progreso Network in Spanish 1200 GMT 13 Dec 88

[Text] Approximately 200 Cuban doctors are attending the second AIDS teleconference which is being broadcast to 35 countries throughout the world via satellite from the Brazilian city of Rio de Janeiro.

The signal is being received at the Genetic Engineering and Biotechnology Center in Havana.

The viewers can contact the headquarters and discuss their concerns.

Second Weekly Flight Authorized to Paris

FL1412133488 Havana Radio Progreso Network in Spanish 1200 GMT 14 Dec 88

[Text] It was announced in Paris that the Cubana de Aviacion airlines has been authorized to offer a second weekly flight between the French capital and Havana. The new route will begin after agreements are signed between Cubana de Aviacion and Air France.

Haiti

Wave of Sanctions Within Armed Forces Noted

FL1312174288 Port-au-Prince Radio Soleil Network in Creole 1200 GMT 13 Dec 88

[Text] It looks as if the wave of firings and transfers of soldiers who participated in certain uprisings following the turbulent 17 September 1988 events is being actively pursued. Indeed, a number of soldiers, most of whom had participated in the 17 September coup, were arrested on 15 October. Now other soldiers have been fired or transferred in the Mirebalais area.

Soldiers at the Croix des Bouquets garrison and other parts of Haiti have also reportedly been (?given serious cause for concern).

According to a note from the democratic organizations in Saint-Marc, some 12 soldiers at the Saint-Marc garrison who failed to support the actions of the group of thugs [sans maman] have reportedly been fired. Also, according to as yet unverified information, there have been attempts to fire soldiers at at least two garrisons in the capital.

In Les Cayes, the report of soldiers being fired has been confirmed. Several soldiers who participated in the uprisings following 17 September have been fired for what the town's military authorities term lack of discipline.

[Begin unidentified reporter recording] The military authorities in Les Cayes have jailed, fired, demoted, and transferred several Haitian Army soldiers who partici-

pated in the uprisings (?of detectives) following the 17 September coup d'etat. What was the reason given? The military authorities in Les Cayes said these soldiers were arrested because they lacked discipline, or for excessive absences. This is what the captain, whom we contacted this morning, told us.

An enlisted man we contacted said the captain's charges were absolutely false. This soldier also said that it was only the soldiers who were asking for change who were fired, and so forth.

We point out that many of these soldiers (?are good) soldiers who had participated in the uprisings. Also, some of the people who had been affected have now been promoted; this happened in the education sector. It also looks as if some of these reinstated people are being protected by the Haitian Army. [end recording]

Here in Port-au-Prince, many people are wondering if Sergeant-Major Joseph Heubreux is not in danger of being fired himself, for he, too, participated in the overthrow of General Henri Namphy.

New Economic Solidarity Pact Announced

PA1312204988 Mexico City XHTV Television in Spanish 0200 GMT 13 Dec 88

[Report by Ana Cristina Pelaez]

[Text] The new Pact for Stability and Economic Growth will be in effect in Mexico for 6 months, beginning on 1 January 1989. The eight-point document, signed this evening at the National Palace, emphasizes that there will be an increase in the tariffs and fees charged by the Federal Government; however, prices that have a direct impact on consumer expenses, such as electricity, and gasoline, will remain unchanged. The document does not specify the size of these increases, but it states that the Mexican peso will undergo a daily devaluation of 1 peso in relation to the dollar.

In addition, authorization has been given for an increase in the minimum wage. According to statements made to us by labor leaders, that increase will be 8 percent. The document recommends that businessmen absorb both wage increases and the change in the exchange rate, as well as increases in government tariffs, without changing the current price of their products.

The document points out that prices of products under price controls will not be raised, except in special cases, such as when the product is in short supply or the industry or economic activity concerned is in jeopardy. In addition, the government will immediately begin to eliminate price regulations that unjustifiably hinder individuals' legitimate right to develop lawful economic activities.

The pact reiterates the right of unions to review collective bargaining agreements while offering incentives to producers in rural areas and a timely review of subsidized prices.

The pact's stated objectives are geared toward strengthening Mexico's position in negotiations with foreign creditors over its debt and guaranteeing domestic economic stability. The foreign debt issue will be approached according to the policies outlined by the Mexican president at his inauguration.

The document was signed by President Salinas de Gortari, six Cabinet ministers, and representatives from the labor, peasant, and business sectors. At the end of the ceremony, President Salinas de Gortari reiterated that he will maintain an economic policy that will have no surprises and will take care of those who have the least. He announced that 1989 would be a year of hard work, transition, and hope, and he asked that all Mexicans give their best while the foreign debt is being renegotiated.

More Oil Reserves Needed To Meet Demand

PA1412031488 Mexico City EXCELSIOR in Spanish 10 Dec 88 pp 5-A, 33-A

[Summary] Pemex has reported that a study done by the Mexican Oil Institute has concluded that to satisfy local oil demand and for oil to continue being Mexico's main source of foreign exchange, Pemex will have to find 15.7 billion barrels of hydrocarbon reserves within the next 11 years.

El Salvador

Foreign Minister on Verification Commission

PA1312131288 San Salvador Canal Doce Television in Spanish 1900 GMT 12 Dec 88

[Report by Regina Canas—passages within quotation marks recorded]

[Text] Foreign Minister Ricardo Acevedo Peralta today said the Central American foreign ministers have been working toward revitalizing the peace process begun by Esquipulas II. Peralta added that the foreign ministers have mainly focused these efforts on forming a political commission to verify that the Central American countries are honoring the commitment to greater democratization. According to Peralta, the five-member commission will be selected from nominations by the Central American countries. This commission will examine the situation in the region with the support of various governments and a technical commission composed of the Central American deputy foreign ministers. The creation of the political commission will be formally discussed during the upcoming regional foreign ministers' meeting, which is scheduled for 11 January in Managua.

[Acevedo] "The only point on the agenda is the formation of a political commission that will verify and follow up on the points in the Esquipulas II document that express a commitment to human rights, [word indistinct], pluralism, full political participation, democracy, refugees, and deserters. I think this is a very serious commitment. El Salvador takes a very firm position on this issue. If this political commission is not formed during the meeting, the presidential summit will be postponed until such a commission is formed."

The formation of such a political commission would provide the international community with a means of rapidly evaluating the progress of the regional peace plan. The EEC has decided to set an example by conditioning all its aid to the region's democratization.

[Acevedo] "This political commission, as you probably know, is very important for the protection of human rights. There cannot be two commissions—one that is very independent, which is the regional commission, and the UN Commission on Human Rights—verifying the same human rights issues. Consequently, this gives us some leeway. If we can form the political commission—as I believe we can—we can ask that the UN Commission on Human Rights representative be removed once and for all."

Acevedo Peralta denied UN reports announcing the imminent arrival of its peacekeeping forces, the Blue Helmets. Acevedo said Central America had not requested the presence of a paramilitary group to ensure that aid will not be given to rebel groups and that no country's territory will be used to destabilize other countries. He added, however, that the region had requested aid from international organizations to form a security commission in which the FRG, Canada, and Spain will participate.

Furthermore, Acevedo says that in the next few days he will appear before the Legislative Assembly's Foreign Affairs Commission and submit documents proving that the government is arranging for Salvadoran illegal aliens to be allowed to remain longer in the United States.

Defense Minister on Strategy, U.S. Policy

PA1412022988 San Salvador Canal Doce Television in Spanish 0300 GMT 13 Dec 88

[Report on interview with Defense Minister Carlos Eugenio Vides Casanova in San Salvador on 12 December following a ceremony at which he was awarded the Legion of Honor and Merit Medal from the U.S. Army; passages within quotation marks recorded]

[Text] Defense Minister General Carlos Eugenio Vides Casanova stated today that the Armed Forces' strategy against the FMLN is aimed at supporting the democratic process, human rights, and victory in war.

Vides Casanova made this statement at the Armed Forces staff building after receiving a decoration from the U.S. Army.

The war that the government is waging against the FMLN guerrillas is very complex, he said. The general dismissed opinions that the U.S. military-aid policy has been a failure. He said that U.S. military assistance has helped the country achieve a level of democracy that has earned international recognition.

[Vides Casanova] "I believe that it is inaccurate to say that U.S. policy has failed. There are now more democratic countries in Latin America than there were a few years ago. People should understand that low-intensity conflicts can last a long time. Wars involving subversion are not won overnight. U.S. foreign policy is out of my jurisdiction, but I do want to say that, in my opinion, it has not been a failure. On the contrary, there is much democracy in Latin America and democracies are gaining strength every day."

Vides Casanova denied that he is leaving his post as defense minister soon.

[Vides Casanova] "I have always spoken clearly to you. I have told you that I will work until the very last minute. I do not believe there is any plan for me to leave in the near future, not because this is my decision but because it is the will of others. I am prepared to serve the country for as long as I am useful to it.

[Reporter] "[Words indistinct] could have any relation with the U.S. Armed Forces interest in reaffirming the institutional nature of the Salvadoran Armed Forces in the face of changes [words indistinct]?

[Vides Casanova] "I do not know about any plans. All I know is what the document given to me at the award ceremony says. We have no institutional problem. The Armed Forces are united, and we are prepared to support the democratic process in our country, to defend human rights, and to win the war [words indistinct] the Armed Forces."

FMLN Claims 16 Army Casualties in Cuscatlan

PA1312140988 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 13 Dec 88

[Text] FMLN guerrilla units clashed with Relampago Battalion troops from Military Detachment No 5 on 11 and 12 December. Our units have entered the areas of El Roble, Palo Grande, and [words indistinct] known as El Caballito in Suchitoto, Cuscatlan Department. As of 1100 on 12 December, we have seriously wounded 16 enemy soldiers with mines or in clashes.

The enemy has responded in a desperate manner, sending helicopters to boost the morale of their troops, which have been demoralized by our forces. Our guerrilla forces have inflicted 16 casualties on Relampago Battalion units on Guazapa Hill in the last 48 hours of fighting.

4-11 Dec Actions Reported

PA1312140088 [Editorial Report] (Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 12 December carries approximately 15 minutes of battle reports, including the FMLN's weekly battle report for 4-10 December.

In its weekly report, the FMLN states that "between 4 and 10 December, the enemy suffered 113 casualties." The FMLN rebels also set 4 ambushes, damaged 2 trucks, seized a .38-caliber revolver, and destroyed 38 electricity poles and 23 transformers. The station announcer adds that "most of those poles and transformers were located in San Salvador." Likewise, a FENADESAL [Salvadoran National Railroads] train; the Limena Drugstore in San Antonio Abad, San Salvador; and Colonel Lizandro Cepeda's home, also in San Salvador, were attacked. The FMLN also attacked 3 garrisons and occupied 12 towns in the San Miguel and Morazan Departments. The urban commandos were also "very active in the cities of San Miguel and San Salvador."

Radio Venceremos then reports that at 1230 on 10 December, a "powerful mine" was detonated in Jucuaran, Usulutan Department. The mine seriously wounded three Marine Battalion soldiers. On that same day, FMLN rebels occupied (El Indio) Canton, San Isidro, Cabanas Department, at 0900. The rebels held a 1-hour meeting with the residents and distributed propaganda. During the meeting, the residents of (El Indio) were told that past elections never helped solve the country's problems and that the same can be expected of the upcoming elections.

Another report states that FMLN rebels attacked the Civil Defense headquarters in Metapan, inflicting two casualties. After attacking the headquarters, "our comrades distributed propaganda and later withdrew without any problems."

The station continues by reporting that on 11 December, FMLN rebels attacked members of the Cobra Battalion, 4th Infantry Brigade, stationed in La Palma, Chalatenango Department. According to the report, "the enemy was gathered at the park" when they were attacked with rifle fire and hand grenades. The Army "sustained seven casualties." Meanwhile, other FMLN members sabotaged four power poles in downtown La Palma, where they also distributed propaganda.

The last report was received from the Anastasio Aquino Paracentral Front. It states that on 10 December, FMLN units clashed with a 2d Infantry Brigade patrol in El Roble Canton, Metapan Jurisdiction. One soldier was killed while the "others fled in disarray."

Honduras

Azcona Discusses Contras, Regional Solution

PA1412042688 San Pedro Sula TIEMPO in Spanish 13 Dec 88 p 15

[Interview with President Jose Azcona Hoyo by Antonio Cano; reprinted from an unspecified edition of the Madrid newspaper EL PAIS; date and place not given]

[Text] [Cano] When will the contras leave Honduran territory?

[Azcona] This is a problem that must be resolved within the first few months of next year. If the contras receive military aid, they must fight inside Nicaragua; if not, they will have to disband. The United States will have to help resolve this problem. Contra leaders can head for Miami, accept amnesty, or whatever. We must seriously discuss this issue with the new U.S. Government.

[Cano] What is your position on this discussion?

[Azcona] Our position is that the contras must leave Honduras, because if aid is cut off, they would be forced to enter Honduras to find things to do.

[Cano] Should that happen, would you make a decision of your own?

[Azcona] We would not risk Honduran lives to try to expel those armed people at gunpoint, but we will not allow them to become a threat to our people either. That is why we have so far allowed and will continue to

allow—regardless of who likes it or not—the passage of humanitarian aid to these people, because it is in the interest of Honduran security.

[Cano] But would you order the expulsion of the contras?

[Azcona] The Army could expel them, but people would be killed. It would be genocide because the Nicaraguans would be waiting for the contras on the other side to kill them. I refuse to involve myself in this kind of inhumane action just to be on good terms with someone.

[Cano] Then what is the solution to the contra problem?

[Azcona] All countries that claim to want to help Nicaragua would have to receive their share of contras, but the problem is that none of them wants to take them in. The ideal solution would be for them to return to Nicaragua. Pressure should be exerted on Nicaragua. The Nicaraguans must be asked to open up democratically, to open their jails and borders, and to disarm themselves. The ideal thing would be a reconciliation among Nicaraguans. Now I realize that Honduras would have to have its Armed Forces clash with the Nicaraguan counterrevolutionaries, thereby producing 1,000 or 2,000 casualties, to deserve the applause of certain countries and favorable comments from certain newsmen. But why is this the case if Honduras is not responsible for this situation?

[Cano] Honduras is not responsible for the presence of contras in its territory?

[Azcona] No. Nicaragua is responsible for failing to promote democracy, because only dictatorial governments expel their citizens. We are willing to take our quota. We are moved by goodwill and that is why we want international [peacekeeping] forces at the Nicaraguan border.

[Cano] The three countries proposed for this force—namely Spain, Canada, and the FRG—refuse to send troops.

[Azcona] That is all right, but we need help because this is not our responsibility. We are talking about a very long border, approximately 750 km, and we have a very hard time protecting it. The objective has always been to make us the gendarme of Nicaragua, but we cannot spend our budget to guard the backs of Nicaraguans. What we want—if the contras cannot return to Nicaragua—is to establish a free corridor along the border with between 2,000 to 3,000 to patrol it to keep the contras out of Honduras.

[Cano] Spain proposes a commission of experts to verify border security. What do you think of this option?

[Azcona] That would accomplish nothing. We do not need observers to stay here at the Maya Hotel and visit the border now and then. No, that is not needed. We must establish a patrol operation.

[Cano] Do you advocate a summit of Central American presidents as soon as possible?

[Azcona] When they decide to hold a summit, I will attend. I do not object to it, but I wish to point out that I do not know what else we can discuss.

[Cano] There is nothing to discuss?

[Azcona] We would be discussing the same issues again. We would be facing the same sitaution. Ortega would claim that he has complied with Esquipulas, and we would say that is not so.... I will be leaving the presidency, but Ortega will stay and the problem will persist.

[Cano] You seem very pessimistic.

[Azcona] Well, yes. I believe Nicaragua will embrace democracy only if perestroyka works.

[Cano] Your government is negotiating a new military treaty with the United States. What advantages will there be in this for your country?

[Azconas] We have had a military treaty with the United States since 1954. We are now negotiating three additional protocols. One of them deals with the installation of a radar site in Trujillo Bay to detect drug trafficking (the radar was installed 20 days before the accord had been signed). I will discuss this with great pleasure. The other protocols involve the transformation of temporary U.S. military installations into permanent ones, but under Honduran ownership. Those installations are now being called military bases, but the truth is that there are no U.S. bases here.

[Cano] And will those accords imply an increase in U.S. military presence?

[Azcona] Not necessarily. The U.S. military presence here is usually no more than 300 men.

[Cano] But Mr President, there are more than 1,000 people working at the U.S. Embassy alone.

[Azcona] Oh, but they are civilians. There are more in Moscow.

Congress Approves Reforms; Strike Ends

PA1312175088 Tegucigalpa Cadena Audio Video in Spanish 1200 GMT 13 Dec 88

[Report by Guillermo Castellanos Enamorado]

[Excerpts] After a lengthy debate, the National Assembly approved the reforms to the Civil Service Law last night. The public employees ended their strike following their approval of the reforms. It should be noted that the public employees have won a series of benefits that are

unmatched in the private sector. They are the only Honduran workers who enjoy the right to paid vacations, not to mention other gains regarding job stability and compensation pay for unjustified dismissals. [passage omitted]

All the ANDEPH [National Association of Public Employees] members who had gathered in the National Congress gallery last night immediately went to their headquarters, near the Clamer Theater, after congress passed the reforms. After 40 to 50 minutes, they announced on Radio America that the strike was over.

Nicaragua

5 Dec Interview With Ortega Published

PA1312223288 Mexico City UNOMASUNO in Spanish 6 Dec 88 pp 1, 21

[Rebeca Hernandez Marin and Alberto Carbot report on interview "yesterday" with President Daniel Ortega—place not given]

[Text] Nicaraguan President Daniel Ortega Saavedra stated yesterday that "a revolutionary armed struggle in Mexico is not being viewed as an option for reaching power." He said that speaking in general terms "there is no evidence that it is possible to make profound changes in Latin America by peaceful means." He said that although some national sectors have viewed his presence—and that of Cuban President Fidel Castro—in Mexico for the inauguration of President Carlos Salinas de Gortari as negative, "there is no reason for any concern because it is the Mexican people themselves who determine their own political path."

During an interview with this daily following a news conference, the Central American chief of state said that "none of the political forces that participated in the recent elections has decided on an armed struggle to reach power. Those forces have consciously agreed to participate in the political process and now should not be surprised with the results."

Regarding President Salinas' call for strengthening Mexico's political and economic stability, Ortega said that "this is a very positive call, but its success will depend on the maturity and capability of the various Mexican political forces and on their willingness to respond to this call, which is of regional interest; a destabilization of Mexico would negatively affect the Latin American front, which has been in the process of being formed, in the midst of difficulties, for many years.

Ortega said that in Latin America, "but not everywhere," the conditions for social changes through armed struggles are latent in spite of the fact that some political forces have not been able to make any progress. The exception, he said, is El Salvador, where the revolutionaries have made great progress in the quest for a change by combining the armed struggle with a political effort and with negotiations. He said: "In Latin America, the popular thing to do is to hold talks within the framework of pluralism to make progress based on proposals that are of common interest and that have to do with the unjust economic order, the foreign debt, and other very specific subjects, such as subjects that are very much linked to the economic problem in Central America and that prohibit U.S. intervention. This is setting a precedent in the area. Accepting a U.S. intervention in Nicaragua, in Central America, means accepting a foreign intervention anywhere in Latin America," he said.

[Interviewer] President Fidel Castro said here that violence and armed struggles are justifiable only when there is no other option.

[Ortega] "Yes. The right conditions have existed in Chile, but the Chilean revolutionaries have not been able to take advantage of them. The same is happening in Paraguay. It has only been in El Salvador where important progress has been made since the formation of a broad front—to which President Jose Napoleon Duarte belonged when he was at the side of the revolutionaries—until it became what it is today, a very well-consolidated and very well-developed movement, not only militarily with the support of the masses, but it has also been successful in its search for political space."

Ortega added: The U.S. option has been losing strength in El Salvador. This is so in spite of the fact that it is expected that next year El Salvador will have a rightist government because of the crumbling of the Salvadoran Christian Democratic Party and the illness of President Duarte. The Sandinist leader said that Ronald Reagan will leave Central America in a situation much more complicated than what existed in January 1982. Ortega noted: "His policy caused us problems and instability, but he was unable to destroy the Nicaraguan revolution or the Salvadoran revolutionary movement."

[Interviewer] Is this a suitable moment for establishing a more direct dialogue with the United States, now that a change of government is taking place?

[Ortega] "We have always been open to dialogue, but the United States abruptly ended the talks in Manzanillo. It is they who have to take the next step. They must think seriously about their future policy for Central America, taking into account the results of Reagan's policy for the last 8 years. We propose working with the United States within a framework of mutual security and respect."

[Interviewer] One issue in the region, which is said to hinder Central American relations, specifically Honduran-Nicaraguan relations, is the complaint your country lodged at the International Court of Justice [ICJ]. The Honduran Government says the complaint stands in the way of dialogue. What is your opinion?

[Ortega] "Honduras never took us up on the issue. I spoke with President Jose Azcona, and he never broached the ICJ issue, nor did he establish it as a

condition for the agreements that were signed in Mexico. Furthermore, had he established it as a condition, a dialogue would not have taken place. He has not used it as a condition for the presidential meeting to be held in San Salvador on 15 and 16 January. We resorted to the international mechanism because it is the only instrument left to countries that do not have atomic potential or large arsenals to defend themselves. For example, the skepticism of many notwithstanding, we turned to the ICJ because of actions perpetrated by the United States; to the international community's astonishment, the United States was condemned."

In the case we are discussing now—he added—we once again turned to the ICJ because the United States is using Honduran territory to attack us. The case continues, and only if the contras disappear from Honduras and do not use Honduras' territory as a base against Nicaragua will we be willing to reach an out-of-court settlement. I never said we would withdraw the complaint immediately under other circumstances...those are misinterpretations.

President Daniel Ortega, who met briefly in this city with Napoleon Duarte, Fidel Castro, Virgilio Barco, Azcona Hoyos, Vinicio Cerezo, and Salinas de Gortari, said they discussed the debt problem, peace in Central America, and general hemispheric issues.

Regarding the debt, Ortega added that Latin America needs a solid strategy, one that will bolster the effort to solve the problem. I believe we can no longer walk, we must run, before the threats of destabilization and coups that have emerged in the area close the space that has been opened and destroy the progress that has been made.

With President Salinas de Gortari, Ortega explained, I spoke of regional problems and the efforts that are being made. We shared a certain degree of optimism; not much, but a certain degree of hope due to the results of the last foreign ministers' meeting. Mexico has always maintained a clear policy regarding Nicaragua and Latin America as a whole, which I do not believe will change but will be maintained and strengthened, the Sandinist leader said.

Regarding the Mexican left's attacks on him for having attended President Carlos Salinas de Gortari's inauguration, Ortega explained: "My presence here is due to the relationship that Nicaragua maintains with Mexico, due to our relationship within a bilateral framework."

Ortega explained that revolutionary Nicaragua stood beside Jose Lopez Portillo and Miguel de la Madrid, and it is only logical for this relationship to continue with Carlos Salinas de Gortari.

[Ortega] "I know that a certain amount of uneasiness was expressed over my presence in Mexico, the same as with President Fidel Castro's. You should not believe things that are not true in the political field."

Furthermore, Ortega pointed out, "we are not determining Mexican internal policy, the Mexicans themselves are doing that. In Mexico, the option of revolutionary struggle I spoke of earlier has not been stated. None of Mexico's political forces has discussed it."

The Nicaraguan president said the electoral process has its limitations and risks, and if the opposition to the PRI participated in the process, it should not question Salinas de Gortari's victory or the presence of socialist heads of state at his inauguration.

"I am convinced that armed struggles are still the only feasible way to achieve deep transformations in unjust regimes, but Mexico's diverse political forces do not agree with me. I hope, nevertheless, that they will work to strengthen Mexico's interests, which will, at the same time, favor the interests of all Latin America."

Defense Ministry Reports Honduran Harassment

PA1412041788 Panama City ACAN in Spanish 0029 GMT 14 Dec 88

[Excerpts] Managua, 13 Dec (ACAN-EFE)—Honduran Army troops have "harassed" a military post in northern Nicaragua, while contra soldiers have killed two civilians and wounded four others, the Defense Ministry reported today.

On 11 December Honduran Army soldiers "harassed" the military post of Murupuchi, 4 km north of Teotecacinte, Nueva Segovia, on the border with Honduras, without causing any casualties, the source added.

One person was killed and three wounded on 11 December during an attack on a peasant cooperative, on the country's southern coast, during an attack by anti-Sandinists, said the military report. [passage omitted]

Although the anti-Sandinists and the Nicaraguan Army have been observing a truce since last March [as published], the Defense Ministry has been reporting a series of attacks by the contras, especially against the civilian population.

RN Leader Sanchez Says 'War Will Continue'

PA1312194288 Madrid EFE in Spanish 2324 GMT 12 Dec 88

[Text] Miami, 12 Dec (EFE)—Nicaraguan Resistance [RN] Director Aristides Sanchez said today in Miami that the war will continue in Nicaragua until a democratic and pluralistic system is established.

Sanchez also asked that the four Central American democratic presidents take a "firmer" attitude toward Nicaragua to force it to comply with the Esquipulas II agreements. He suggested that a "diplomatic and political blockade," together with contra military pressure, would achieve the goals of peace and democracy provided for by the peace plans signed more than 1 year ago.

The contra leader said the "only solution" is for the ruling FSLN to "turn over power to moderates who represent the Nicaraguan peoples' true character and to establish a pluralistic regime that satisfies everyone." Sanchez added that the present Sandinist system is "unacceptable" because it violates human rights and goes against the family, religion, and individual freedom. He added that Nicaragua "remains an outsider on the world scene."

Sanchez underscored that the war, which has lasted 8 years and has caused more than 30,000 deaths, is not the problem but "a natural consequence," explaining that "the people have a legitimate right to take up arms against tyrants."

Most of the contras have withdrawn to their camps near the Honduran border. Since the signing of the Sapoa agreements in March, they are maintaining a precarious truce with the EPS. The contras have not received any U.S. military aid since February 1988. Some commando units, however, remain inside Nicaraguan territory, and according to recent statements to the foreign press by some guerrilla leaders, they are willing to "fight until the last drop of blood."

On the other hand, contra leaders continue to be divided over the strategy to follow in 1989. While some groups believe the Bush administration will continue to finance the rebels, other groups, headed by Alfredo Cesar, are working on a new peace proposal that would include returning to Nicaragua to start a political struggle.

Contras Ambush Government Vehicle in Chontales
PA1312134188 Managua Domestic Service in Spanish 0300 GMT 13 Dec 88

[Report by Julio Aragon]

[Text] Approximately 30 contras ambushed a Proagro [National Agricultural and Livestock Products Enterprise] truck in (Quebrada Niscala), 24 km south of Acoyapa, Chontales Department, at 1800 today.

As a result of this criminal ambush by the mercenaries, Felix Perez Urbina Calero was killed and Juan Unama Estrada was wounded. The truck's driver, Juan Irena Urbina, managed to escape from the contras.

The contras used RPG-7 rocket launchers and rifles of various calibers in this criminal counterrevolutionary action. The truck, license plate number OK 0096, was completely destroyed.

Communist Leader on Anniversary Celebration
PA1412024288 Managua Radio Noticias in Spanish 1200 GMT 13 Dec 88

[Statement by Eli Altamirano Perez, secretary general of the Communist Party of Nicaragua (PCdeN), date and place not given—recorded]

[Text] Many thanks for giving me the opportunity to address the Nicaraguan people on a memorable date for the country's Communists. Today, indeed, it is the 18th anniversary of the founding of the PCdeN. This event took place on 13 December 1970. Therefore, today, 13 December 1988, we mark 18 years of being, 18 years of steadfastness, 18 years of hard struggle, major battles, and blows dealt by reactionaries and the repression, and 18 years of resounding victories in the ideological, political, and organizational fields on behalf of the working class, the workers, and the great people of Nicaragua.

This time we will celebrate our anniversary with a reception. The chief symbol of this reception will be our party's tenacity to promote friendly relations between the diverse political forces of the civic opposition and among the various social groups in the country. We act on the idea that above differences among ourselves Nicaraguans must be able to march on the path that will lead us to great civic, democratic, and patriotic solutions to the great crisis affecting Nicaragua. We are fully convinced 1989 has to be a year of greater efforts and achievements because Nicaragua's plight can no longer continue. There is no way the current situation can go on. This situation calls for quick, urgent, and effective solutions. That is the goal of all our efforts.

Today's activities will be conducted within this extraordinary framework. Together with this main event, there have been meetings of the PCdeN's grass-roots organizations in Managua, in neighborhoods, in the various social groups, and in other departments, municipalities, and regions. These meetings have taken place with the PCdeN's own forces and the forces that are closest to and coincide with the policies of the party. We are also making the same effort to establish links in the great crusade, which we will promote even more, to carry out in 1989 everything that is still pending, and everything that was impossible to do this year—because of the government's sectarian view. The country's immense needs now demand action. It does not want to and refuses to endure greater suffering.

Greetings to our people and our friends. We hope our efforts succeed in gathering all those called to play a small role in the effort to save the fatherland.

Disaster Aid From Soviet Union Arrives
PA1312231388 Managua BARRICADA in Spanish 12 Dec 88 p 5

[Summary] Henry Ruiz, Foreign Cooperation minister and commander of the revolution, has received a Soviet donation consisting of 25 metric tons of food for children, blankets, tents, clothes, and hospital equipment.

Ruiz thanked Soviet Ambassador to Nicaragua Valeriy Nikolayenko, noting that the Nicaraguan people are impressed with this aid that has come at a moment when the Soviet people need help from the international community because of the catastrophe in Armenia.

2,000 Nicaraguans Reportedly Studying in USSR

PA1412031688 Managua Radio Sandino in Spanish 1930 GMT 13 Dec 88

[Excerpt] According to Vice Minister of Education Joaquin Solis Piura, none of the almost 2,000 Nicaraguans studying in 49 Soviet cities was in Armenia at the time the earthquake occurred in that city. [passage omitted]

* CDS Charged With Harboring 'Somozists'

32480046B Managua LA PRENSA in Spanish 30 Nov 88 p 2

[Editorial by Cesar E. Lacayo: "The CDS, a High Price for the Government"]

[Text] It is public knowledge that the ill-famed CDS [Sandinist Defense Committees] have done great harm at a high political cost to the Sandinist Front by distorting the concept of revolution under the slogan "the eyes and ears of the revolution," which they have capitalized on for their own interest and benefit. It is also public knowledge that the best-known former Somozists in Nicaragua took over CDS posts. Thousands of people have left the country because they felt harassed by the CDS. Thousands of people have lived under the strain of CDS threats, and thousands of people have suffered and are suffering in jail because of capricious complaints and accusations by the CDS.

On radio stations we used to hear the armed opposition announcing a great many names and their backgrounds and announcing that the CDS would be the first to be called to account. The people became convinced that the political leadership continued these abuses and this corruption, in accordance with the following logic: "...if the Contras are made up not of peasants who have been victims of the 'revolution' but instead of Somozists, and if the latter offer to punish the CDS, well...it will be a settling of old scores among Somizists...." It was probably afterwards, when the CDS began distributing land and homes that did not belong to them, when the CDS began brazenly depriving local residents of their homes for their own benefit, when the CDS started collecting money among local residents on any pretext and never accounted for its actions to anyone, that the FSLN decided to strip them of all authority to steal. Probably, however, it did not yet realize the high cost in loss of potential revenues that they caused and continue to cause the Sandinist government by taking advantage of decrees on "intervened illegal distributions" and the decree cutting rents in half that many are still making the most of.

At first, logically, the owners of these pieces of properties were upset, but when they added up the numbers, they calmed down and were even glad because the legal owners know that the CDS have created a serious problem for the government and that some day these pieces of property will again belong to them or to their children or to their grandchildren.

What happened? The legal owners realized that one decree (government in Nicaragua is by decree) enables them to collect only 5 percent of the assessed value of the property a year, which means that if the owners continued charging their tenants, they would have to pay income tax, plus 3 percent a year in the form of the IPN [not further identified], making a total payment to the Treasury of more or less 4 percent a year. The owners would be left with a 1 percent a year margin, not in the form of net profit but to cover property maintenance costs such as painting, roof and wall repairs, etc., plus the headache of insolent tenants who cannot be asked to give back the real estate because "the law protects them." The Treasury cannot now ask the owners to pay either income tax or IPN because they are not making any profit.

These people, to whom the CDS capriciously distributed property that belongs neither to them nor to the government; these people, whom the CDS egged on to invade lands and set up "spontaneous settlements," are not paying a cent in taxes and utility charges, thus causing serious damage to the government.

We have already explained the damage in lost taxes. Some of the damage in lost utility charges could be as follows. The great majority of these "new owners" do not request electricity meters; they tap directly into the electric power lines and thus avoid paying for the service and paying municipal taxes, and as customers not controlled by the INE [Nicaraguan Institute of Energy], they put heavy pressure on the power plants that have been designed to generate a limited number of kilowatts. We are not mentioning the clandestine use of water because that mechanism is a bit more complicated, but we can indeed assert that in one of those ironies of life these beneficial users of properties that the CDS "gave" them claim to be the biggest Sandinists, biting their lip. Under their breath they say the opposite.

In summary, the CDS have also made the ruling party pay an enormous price in lost revenues and have caused great damage to its power plants and municipal-utility equipment.

We are not inclined to offer alternative ideas to the Sandinist government, but we are finding that the effort to utterly destroy our country is apparently designed to see to it that no group of opposition leaders is interested (or if any group is, that it will lose interest) in taking power to rebuild a country that has been completely destroyed socially, politically and economically. We can analyze a few alternatives:

- In the event that the government were to simply revoke the takeover decrees and related decrees, the owners would do nothing, because no one wants to wrestle with the problems of evicting tenants.
- If the government assumes the responsibility of setting rents directly, it will be creating a big bureaucracy to collect and control them and make cyclical monetary adjustments, besides taking on the same eviction problems that the owners would rather not.
- But what would happen if the government were to revoke the takeover decrees and related decrees, support restitution of the property to its owner and increase the rent to 12 percent of the assessed value of the property a year? It would probably even spur the construction of housing, which no one today has the slightest interest in building.

Otherwise, it will mean that the cost of inflation will be paid only by those who take out bank loans, through the Total IPC [consumer price index], and that the devaluation of the currency will be offset for time-depositors through the Partial IPC, while rents remain token amounts subsidized by the people themselves through taxes and utility charges, which fund the budget of the republic.

If the government paid attention to these situations, it would probably receive some relief from the exhaustion that the endless rush to reconcile prices and wages through weekly hikes is causing it. If the idea is to again take away the people's savings through demonetization laws, this time it will not work. There are no more savings, because there is not enough money in circulation even to buy food.

*** Editorial Analyzes Verification Problems**
32480046A Managua BARRICADA in Spanish
2 Dec 88 p 3

[Editorial by Carlos F. Chamorro: "The Mexico Surprise"]

[Text] The resumption of the peace process agreed upon in Mexico by the five Central American foreign ministers is as unexpected as the signing of the Esquipulas Accords was 16 months ago. Overcoming the well-known pressure from the United States, the governments in the area have once again gained some independence and autonomy after a lengthy impasse that to the most pessimistic observers seemed permanent.

What factors enabled some governments to accept the verification process? What is the significance now of the virtually de facto call for another presidential summit meeting? What are the obstacles that remain? These are questions that must be answered.

President Azcona would be the proper person to answer the first question. As the heir to the presence of the Contras on its soil, with their aftermath of AIDS, the Nicaraguan suit in the World Court and widespread national irritation, Honduras has been the main victim of Reagan's failed policy in Central America. For months, moreover, Honduras has been the number-one obstacle to gains in the peace process. Now, however, the Honduran chief executive would seem determined to escape from a curse. Reagan is leaving...and the Contras are staying; this is the worst thing that Azcona could bequeath to his country and to his own party with presidential elections approaching.

It could be that when Honduras said yes to the request from the foreign ministers to allow the UN to verify "on site" the presence of irregular forces on its soil, it was acting out of desperation, given how untenable its positions were and the cumulative discredit that it had brought on itself. The fact is, however, that Honduras, even against its will, has involved itself in an initiative that has put the ball back in the United States' court. Will this put the Hondurans in a better bargaining position with Washington to resolve its economic problems? What will the cost of its insolence be? We will know only after Bush takes over as president of the United States.

The second question is directly tied to the transition from Reagan to Bush that is currently under way in the United States. The Central American chief executives have retaken the initiative at a crucial time, when the former director of the CIA has not yet given clear indications of what he plans to do in Central America. And even though during his election campaign he successfully avoided taking a stand on the Central American problem, it will be impossible for him, after Esquipulas IV, to keep the sovereign resolutions of the five chief executives off his agenda. In the final accounting, a summit meeting in January would be much more significant than 6 months later, when Bush already has everything planned out.

The road to peace is rife with ambushes and difficulties, however. It is encouraging that the European Economic Community and Latin America, as well as the OAS, are fully supportive of the security verification process. But Washington's influence on the Central American governments and its rejection of the peace process to date carry too much weight for us to yield naively only to the optimism that the Mexico accord has awakened on both sides.

The promptness with which the UN responds to the foreign ministers' request is a matter of life and death so that verification does not remain just a good intention.

The other foreseeable stumbling block to be overcome is the pretexts and conditions that El Salvador will no doubt bring up when "political verification" is discussed in Managua.

Esquipulas must be kept on track through decisions that make the peace process irreversible. And this ultimately depends on the political will to resist U.S. pressure that the Central American presidents demonstrate. For the time being, they are the ones who have the floor.

Panama

Ritter Discusses Domestic, Regional Issues

Interviewed in Mexico

PA1312205288 Mexico City EL DIA in Spanish 5 Dec 88 p 10

["Exclusive interview" with Foreign Minister Jorge Eduardo Ritter by EL DIA reporter Enriqueta Cabrera in Mexico City; date not given]

[Text] Cabrera: Mr Foreign Minister, could you tell us the goal and meaning of your visit to Mexico?

Ritter: I came in response to a very honorable invitation to attend the presidential inauguration. I could never have refused to come, because Mexico has expressed its solidarity with Panama. Mexico has always been Panama's friend, and Mexican foreign policy has been and still is an example for Latin America.

Mexico has firmly and constantly defended the principles of self-determination and nonintervention in other countries' internal affairs. Those are very dear principles to Panama and form the basis of our current struggle.

My visit to Mexico is also another way of reiterating our decision to continue our foreign policy based on the aforementioned principles. Our visit also tells Mexico all it has meant to Panama and to the rest of Latin America throughout the years.

I believe this meeting of heads of state and ministers on the occasion of the Mexican presidential inauguration is useful to begin discussing some solutions.

Cabrera: What is the situation of the democratic process Panama is experiencing?

Ritter: Panama is at the beginning of an electoral process that should culminate on 7 May 1989 with general elections for the Legislative Assembly and for president and vice president of the Republic. Panamanian law establishes that candidates can be nominated even 3 months before election day. This means political parties have until 7 February to nominate their candidates.

Elections mean the end of a transition period that has had its ups and downs and that was not understood. But it will finally culminate in the democratic election of a government. The current government had three different presidents. The first, Nicolas Ardito Barletta, resigned; the second was dismissed by the Legislative Assembly; and the third is the current minister in charge of the Presidency. The government elected in the upcoming elections will be a legitimate government born of the Panamanian majority.

Cabrera: All that is very important, because it consolidates a democratic process Panama has been undergoing, which in our opinion has been based on national sovereignty and sovereignty over the Panama Canal, which is not in question....

Ritter: For us our sovereingty is not in question, although it is at stake. Within the current Panamanian situation the defense of principles by some sectors and the defense of or surrender to the United States on important positions by other sectors are also at stake. The manipulation by some international press agencies and by the U.S. Government has tried to sell to the world the idea that Panama is divided between military men and civilians. That is not true. Panama is divided into different forces: One of them has civilians and military men who unconditionally support the same position, defense of our sovereignty. That represents no negotiation of military bases beyond the year 2000.

The other group comprises those who requested U.S. intervention and are willing to negotiate the military bases. That is what is at stake in Panama. That is why the struggle of forces in Panama has been so difficult, harsh, and polarized, because principles very dear to Panamanians are at stake.

Cabrera: Principles for the defense of national sovereignty are at stake, but so are foreign policy principles.

Ritter: Absolutely. Torrijos bequeathed us an independent, nonaligned foreign policy. As simplistic as it may seem, that policy gave us a chance to write the list of our friends and enemies. Until 1968, we walked at the pace the United States set, whether the order was to break relations with Cuba or to establish relations with certain countries.

A process that began in and has continued since 1968 stressed disagreements among Panamanians as we approach the year 2000. Some are concerned about the U.S. absence in Panamanian politics, the absence of military bases, and the absence of that presence which, in fact, has value to the Panamanian economy. All this worries those who are concerned more with personal profit than with patriotic interests. The struggle and the confrontation, which will continue until the year 2000, stems from that situation. If we resist and maintain our presence in the government (I am not talking about specific individuals, but about those in general who defend patriotic interests), the military bases will not be negotiated.

Cabrera: Have you calculated the economic and political damage to Panama? Is there a preliminary figure?

Ritter: Yes. We have estimated that up until last month, Panama had registered real, direct losses of about $2 billion. That is a huge figure for a small country of 2 million people. In addition, there has been social damage we cannot quantify. For example, malnutrition will have an effect on Panamanian children for many years. The

Panamanian agricultural infrastructure has been significantly damaged. We have been unable to keep roads in good condition. The health system has greatly deteriorated. Therefore, the economic damage has exceeded $2 billion by far.

Irreparable harm has been done to Panamanian-U.S. relations. In our case, one can confirm that the United States does not really have friends. It has only temporary and circumstantial interests. In Panama's case, the United States had no qualms about destroying our economy, and today it looks indifferently at our destruction.

Cabrera: As we say in Mexico, every cloud has a silver lining. Do you believe the current situation has shown Panama the need to develop within a more independent economic model?

Ritter: Right. This crisis was necessary to realize that where we thought we had our strength, we in fact had our weakness. We thought we had a strong economy because we use the U.S. dollar and do not have our own currency. It has now been proved that this is our greatest weakness. We never thought the United States would go as far as to freeze Panamanians funds in the United States, thus succeeding in making all our banks close for 70 days.

Thus, we have seen the weakness of an economy based on the U.S. dollar, and this has forced us to consider and design a different economic system. It has not been completed, but we have begun to diversify markets for Panamanian products. One must realize that Panama is a country that provides services, that sells services. Those services had been sold primarily to the United States. We have had to look at a much broader world, putting aside the myopia with which we were looking at the United States.

Cabrera: Is there any indication that the new U.S. Administration will change its policy toward Panama?

Ritter: I would not say there are indications, but there is hope. We are confident the United States will revise its policy of aggression toward Panama. However, we do not expect dramatic changes. After all, that policy is based on strategic U.S. interests that have not changed. Moreover, the makeup of U.S. Government has not changed: There is a Democratic Congress and a Republican President.

Cabrera: General Torrijos was a very active factor in the Central American and Latin American policy that we could say began with Contadora. Panama was also the father of Contadora. In your opinion, what is the status of Contadora today, and what are its possibilities for action within the Central American conflict?

Ritter: I believe that because the Central American countries asked the Contadora countries to serve as a good offices group, Contadora could not go beyond what the Central American countries themselves wanted. Therefore, when the Central American presidents signed a peace agreement, Contadora, far from feeling slighted, was proud that its good offices had paved the way for a direct dialogue among the presidents of the five countries.

It is true that there have been ups and downs. However, they have all reiterated their interest in and hope for a resumption of those negotiations and for progress to be made in that peace process, which is such a source of hope for all Latin Americans.

If there is a need for Contadora to act, Contadora will be there. If the great experience accumulated by Contadora over almost 6 years can provide support, then so be it.

However, this will basically depend on the Central American countries' wishes. Now, the Contadora and Support Groups have a role to play in the verification and follow-up commission established by the Esquipulas II treaty itself.

Cabrera: It is obvious that in the past few years there has been a change in the relations between the United States and Latin America. What is Panama's assessment of that change?

Ritter: The current U.S. Administration has claimed paternity of Latin American democracy. President Reagan said that when he became President, a large number of Latin Americans lived under dictatorships, and now only a small number of them are in that situation.

The truth is completely the opposite. Latin America has been seeking its own identity. Each country has been seeking its own development and method of carrying out its democratic process. There has been no pattern issued from abroad.

At present, we are united in our problems but are not united in the solutions. Latin America is mired in the debt problem. Everyone has said that. Even President Salinas mentioned it in his inaugural address. All the countries agree on this; yet we have not reached a common position on the debt. Similarly, Latin America is divided by regional conflicts. To mention just one, there are many border disputes involving two or more Latin American countries.

It is a discouraging picture. We Latin Americans have not agreed on a single thing other than generalities and the principles that we want peace, democracy, and negotiated solutions to conflicts, and that the debt as presently structured is unpayable. We have many tasks ahead, and we have to get to work on them.

Cabrera: Yet Latin America has begun a new era in its politics. Contadora represented, for the first time, united action by Latin American countries in search of their own negotiated, political solution. It was later continued

through the Support Group, through the Cartagena consensus, and through the Group of Eight. I believe this changed the quality of relations between the United States and Latin America....

Ritter: I believe that, indeed, all those steps have been efforts in search of greater Latin American unity. The very creation of SELA has been an important step we Latin Americans have taken.

However, I insist that we have only diagnosed the problems. We know that we have no solution unless there is true unity among our countries. However, the problems are so acute that solutions must all come at the same time and at the same speed. As far as I can see, they are not coming. Of course, it is very difficult to agree on a single solution when all the positions are different. However, we have magnified the differences and overlooked the small things that could be the beginning of unity in Latin America.

Cabrera: What do you see as the main problems to be approached through concerted action?

Ritter: Let us produce a continent in peace and form a common front to face the problem of the debt; a continent at peace in which solutions could be simple if certain attitudes are changed. On the other hand, we must seek a speedy solution to the problem of the debt. In this manner, Latin America would regain all that it has lost in the past 100 years.

The creditor countries already know it is impossible to continue thinking in terms of the present debt structure. However, until the Latin American countries can produce a common solution, we will continue to be overwhelmed individually by the debt we cannot pay.

Cabrera: You previously mentioned the problem of the military bases in Panama. This is linked to another problem we must broach. It is the problem of the arms buildup—in Central America in particular, and in Latin America in general.

Ritter: When I say there could be simple solutions, I mean a change in certain attitudes would imply renouncing the buildup of weapons that often serve only for intimidation. We all know that it will not be necessary to use them.

When countries acknowledge that it is fundamental for them to refrain from interfering in the political affairs of others, respect political regimes, and jointly promote the economic conditions that allow the Latin American countries to progress, we will be heading toward a continent that is at peace.

Comments on U.S. Bases

PA1412043688 Panama City LA REPUBLICA in Spanish 13 Dec 88 pp 1,6

[Article by Reinaldo Labastide]

[Text] Panamanian Foreign Affairs Minister Jorge Eduardo Ritter said the United States has taken a "serious position," referring to the U.S. Southern Command's announcement of a plan to dismantle U.S. bases in Panama, as stipulated in the Torrijos-Carter treaties.

Ritter said: "As a matter of principle, I do not like to assess attitudes in advance, even if the United States does have a previous history of violating the Torrijos-Carter treaties."

Ritter said he would not describe the announcement as sheer demagoguery, adding: "But I do hope that the intentions expressed in the Southern Command's communique are indeed fulfilled."

Ritter commented on the celebration of the 41st anniversary of the rejection of the 1947 Filos-Hines agreement on foreign military bases in the following terms: "This ceremony is of tremendous importance to us today, especially because a week before this celebration the United States announced its intention to honor the treaties and dismantle its military bases here in Panama."

Ritter said this reaffirms that Panama is unrelentingly determined to ensure that U.S. military bases are removed from Panama.

He pointed out that 12 December 1947 marked a milestone because it made the Panamanian people aware of the need to demilitarize the isthmus of Panama. "We were not willing to continue serving merely as a stage, lending our territory to foreign military bases," Ritter said.

Ritter said that now more than ever the people's massive rejection of the Filos-Hines agreement on military bases is an example of the patriotism that today's generation should imitate and admire.

Opposition Leader on Noriega Regional 'Threat'

PA1312173288 Guatemala City Teleonce Television in Spanish 0400 GMT 12 Dec 88

[Passages within quotation marks recorded]

[Text] According to Ricardo Arias Calderon, the most prominent opposition figure in Panama, the existence of military dictatorships in some Latin American countries, such as General Manuel Antonio Noriega's regime in Panama, is a threat to the region's democratic governments. Arias was interviewed this weekend in Guatemala City:

[Arias] "The latest uprising against Argentine President Raul Alfonsin was headed by Colonel Mohamed Ali Seineldin. He had worked for 3 years as an adviser to

Noriega. He was in charge of training the Panamanian military forces. This person had just received the highest decoration granted by the Panama Defense Forces. He flew from Panama to Uruguay 1 week before the uprising. There are unconfirmed reports that he flew aboard a Panamanian airplane and that Panama's military attache in Uruguay welcomed him. Therefore, everthing indicates Gen Noriega may have known or probably knew ahead of time about the military uprising against President Alfonsin.

"I believe Gen Noriega had something to do with that rebellion. Noriega was aggressively reacting to the firm stand of President Alfonsin, who criticizes Panama's military regime and has excluded it from the Group of Eight meetings. We must realize that a permanent dictatorship, which is what Gen Noriega represents, is not just a problem for the Panamanian people. That dictatorship can serve as the base for efforts to remilitarize the rest of our region.

"What just happened in Argentina must be a warning to any other democratic president. As long as there are permanent dictatorships in Latin America, democracy is not safe anywhere."

Arias Calderon, president of the Panamanian Christian Democratic Party, stressed the seriousness of the crisis his country is experiencing.

[Arias] "There is a deep crisis. Its fundamental elements are the confrontation between an overwhelming majority of the Panamanian people who want democracy versus a military regime, led by Gen Noriega, which is preventing any peaceful change toward democracy. As a result of that confrontation, we are experiencing an unprecedented economic disaster. Panama's GNP dropped 25 percent in 1988. Unemployment doubled in a single year. Approximately 25 to 30 percent of the labor force is unemployed. This economic crisis is a result of the political crisis. It will not be solved until Panama experiences a true democratization."

The Panamanian opposition leader also talked about the Esquipulas II agreement.

[Arias] "I think we can assess the progress achieved in terms of the things that have been prevented. A widespread war in the region has been prevented. A constant rise in violence has been prevented. Although violence has not disappeared, it has not increased at the pace it had before Esquipulas II. There still needs to be a true democratization in Nicaragua. That country has complied the least with the Esquipulas II agreement in terms of democratization as well as of reconciliation."

PPA Internal Problems Lead To Split

Board of Directors Elected

PA1212193088 Panama City LA ESTRELLA DE PANAMA in Spanish 12 Dec 88 pp A-1, B-8

[Article by Claudio Herrera Jimenez]

[Excerpts] The Authentic Panamenist Party (PPA) yesterday elected a new Board of Directors, headed by Hildebrando Nicosia Perez, and upheld the suspension of party members Jorge Pacifico Adames, Francisco Artola, Guillermo Endara, and Jose Salvador Munoz.

Nicosia Perez, who was the secretary general of the largest opposition party and who became embroiled in an open political dispute with the suspended party members, managed to gather almost 1,000 delegates at his convention.

At the convention, held at the Anton fairgrounds under a blazing sun, the supporters of the veteran Panamenist leader reaffirmed their support for Nicosia, now the new PPA president.

The sober but enthusiastic convention was attended by delegates from all the country's provinces. Nicosia Perez reiterated his call for a "coalition of conscience at the national level without vengefulness or demagoguery."

The differences between the two groups—headed by Adames and Nicosia Perez—came to light on 1 December, when Nicosia and his followers released a communique issued by the Disciplinary Tribunal, which removed First Vice President Jorge Pacifico Adames, Assistant Secretary Guillermo Endara, Second Vice President Francisco Artola, and Treasurer Jose Salvador Munoz.

The group headed by Adames has described yesterday's convention as "spurious" and has accused Nicosia of having "longstanding ties to the military." Nicosia has denied this, both yesterday and in previous speeches. [passage omitted]

The new Board of Directors is made up of the following PPA leaders:

President	Hildebrando Nicosia
First Vice President	Demostenes Vega Mendez
Second Vice President	Alfonso Diaz Tablate
Secretary General	David Arce
Assistant Secretary General	Emiliano Ponce
Treasurer	Carlos Greco
Assistant Treasurer	Rogelio Solanilla
Executive Officer [fiscal]	Emilio Royo Linares
Organizational Secretary	Emiliano Aguilar
Assistant Executive Officer	Raul Guerra
Comptroller	Jorge L. Sanchiz Corro
Secretary for Coordination	Oscar Navarro
Financial Secretary	Adan Carrasco
Youth Secretary	Efrain Castillo
Secretary for Mobilization	Hugo Casanova
Secretary for Public Relations and Publicity	Diogenes Sagel
Secretary for Agricultural Affairs	David Berroa
Secretary for Women's Affairs	Elsa Pacheco de Rivera
Secretary for International Affairs	Abdiel Flynn
Secretary for Labor Affairs	Efigenio Arauz
Secretary for Metropolitan Affairs	Simon Quiros y Quiros

Nicosia Denies Ties With Regime

PA1312040488 Panama City Circuito RPC Television in Spanish 2300 GMT 12 Dec 88

[News conference by Hildebrando Nicosia, head of a faction of the Authentic Panamenist Party, PPA, with unidentified reporters after a convention in Anton, Cocle Province, on 11 December—recorded]

[Excerpt] [Passage omitted] Once the convention ended, the new directorate of the Authentic Panamenist Party gave a news conference to explain the party's situation now that there are two factions. PPA President Hildebrando Nicosia said:

[Begin recording] [Nicosia] I have faced problems in the party since 1983 for saying that the PPA, as Arnulfo Arias visualized it, should seek and promote the unity of all Panamanians. This statement should not be used maliciously to allege that we favor coalitions with government parties or the Defense Forces.

No, we are seeking an overall solution to the nation's problems and want all Panamanians without exception to help. This does not mean we have ties with any oligarchical or military group.

[Reporter] Could Mr Guillermo Endara establish a new party for the 1989 elections?

[Nicosia] Ask Mr Endara. I have stated clearly that, beginning today, they are no longer party leaders and will continue to be suspended until the disciplinary tribunal acquits them. They were not expelled from the party; they were simply suspended for being arbitrary.

It was they who fostered division within the party after the death of the party's founder by excluding other leaders and making various coalitions with government parties. Furthermore, there is a so-called Mr Alfredito [not further identified] who accused me of treason; I challenge him to confirm or deny that he breakfasts twice a week with the president of the PRD [Democratic Revolutionary Party]. [end recording]

Pact With PALA Denied

PA1312005288 Panama City Telemetro Television in Spanish 2315 GMT 12 Dec 88

[Excerpt] [Passage omitted] Following the PPA [Authentic Panamenist Party] convention, the new leaders held a news conference in which PPA President Hildebrando Nicosia denied that he has established contact with the Labor Party [PALA].

[Begin Nicosia recording] You all know that Guillermo Endara and Jorge Pacifico Adames have met several times with the PALA secretary general and other PALA people. We have not held any meetings, made any contact, or entered into any pacts with PALA. The national leadership, however, may now take some steps based on circumstances for the country's welfare. We are neither closing any doors nor rushing to make any commitments with the civilian or military oligarchies, as I have already mentioned. [end recording]

For his part, PPA Secretary General David Arce referred to initial actions that the PPA will take and talked about the 1989 elections:

[Begin recording] [Arce] We are going to begin this struggle for the release of all political prisoners and for the reopening of all the media that have been closed. That will be our struggle for the time being. We will begin this struggle today.

[Reporter] What about the 1989 elections?

[Arce] We feel that it is too early to talk about the 1989 elections. The right conditions for elections do not yet exist. We want clean and free elections. If such elections are held, then we will participate in them. [end recording]

The PPA leadership issued a call to all political sectors to seek unity to solve the country's crisis.

This afternoon, the PPA Board of Directors headed by Nicosia delivered to the Electoral Tribunal the resolution issued at the party's regular meeting in Anton yesterday when the new party leadership was chosen.

Carlos Bonilla, general secretary of the Electoral Tribunal, received the resolution.

PPA Faction Expels Nicosia

PA1312033788 Panama City Circuito RPC Television in Spanish 2300 GMT 12 Dec 88

[Text] Representatives of the Authentic Panamenist Party [PPA] Honor and Discipline Tribunal have decided to expel Hildebrando Nicosia and other members from its ranks. Professor Hector Penalba said:

[Begin recording] The Consultation Board and the National Directorate acting as Disciplinary Tribunal ruled to expel from the PPA Hildebrando Nicosia, Carlos Greco, David Arce, Demostenes Vega Mendez, and Emilio Royo Linares for betraying party ideals and statutes; hopes for definitive and genuine change in Panama; and, to a certain extent, the hopes of the Panamanian people and the PPA rank and file.

The legal grounds are clearly specified in the communique. We wish to tell all citizens that the PPA rank and file have a limitless, boundless, and firm loyalty to the ideals that Dr Arnulfo Arias advocated in his life through word and deed.

The people and the PPA rank and file will expel any PPA leader who fails to respect those guidelines and the hopes of PPA members—who make up a majority of the Panamanian people—as has been done by the gentlemen I mentioned. [end recording]

Meanwhile, Gonzalo Menendez Franco pointed out:

[Begin recording] While in Caracas on 1 November, on PPA business, I met with Colonel Roberto Diaz Herrera in the company of two very distinguished, reliable, and mature professionals. During that meeting, which took place in the presence of witnesses, Diaz said that Mr Hildebrando Nicosia Perez is a protege of the National Guard and that Nicosia is the person he refers to in a document entitled PPA Alternatives Upon the Death of Dr Arias. [end recording]

Further on Internal Rift

PA1312043888 Panama City Circuito RPC Television in Spanish 2300 GMT 12 Dec 88

[Unattributed report; passages within quotation marks recorded]

[Text] With an 8 January national convention in view, members of the national and district directorates of the Authentic Panamenist Party [PPA], headed by Jorge Pacifico Adames, presided over the party's internal district elections yesterday at the Lux Movie Theater in Panama City.

The PPA district convention was marked by charges against expelled PPA Secretary General Hildebrando Nicosia. There were also charges against Carlos Greco and National Directorate alternate members David Arce, Emilio Royo Linares, and Demostenes Vega Mendez.

Despite this political activity, top PPA leaders refused to confirm their party's participation in the 1989 elections.

The main representatives of the democratic political opposition and members of the National Civic Crusade attended this political meeting. A large number of curious people gathered near the Lux Movie Theater early in the morning.

Jose Miguel Aleman, secretary general of the PPA District Directorate, commented on the convention:

[Aleman] "Convention delegates from 19 corregimientos of the District of Panama are meeting here to elect democratically Panama's district directorate that will determine the fate of the PPA in this district from 1988 to 1993.

As you know, the District of Panama makes up nearly 50 percent of the Republic's population and therefore is the most important district directorate in the Republic."

Meanwhile, Mr Jorge Pacifico Adames commented on a meeting called by Hildebrando Nicosia in Anton:

[Adames] "I have said that it is an unauthorized meeting. It is possible the event is connected to the government and the dictatorship, or has military support; otherwise, it could not be held under any circumstances.

[Reporter] "Do the organizational activities initiated by the party today indicate that you will take part in the elections?

[Adames] "We have not talked about elections; however, it does mean that we will fight wherever we are challenged. We will keep our party moving forward, continue to hold conventions legally, and fight at any level and against anybody.

"Dr Arias taught us to fight. The PPA was not born in air-conditioned rooms; it was born in the streets. And we want to continue struggling to strenghten our party in the streets to honor PPA's slogan of fighting for its rights and the people's rights, because we are the genuine representatives of the people in this country. All the other parties lack the popular support that the PPA has.

[Reporter] "In view of this struggle, have you been threatened or pressured by the government in any way?

[Adames] "No, we have not received continuing threats. We simply have 23 PPA members in jail whom we are not allowed to visit. That is a threat; what more serious threat could you want? Our people have been in jail for more than 75 days and we cannot even visit them. That is a serious threat against the PPA. However, we are not afraid of these things, because in my struggle on behalf of the PPA I have been jailed 18 times; I am willing to be jailed 18 more times."

[Reporter] "What is your assessment of the organizational activities of the Electoral Tribunal in preparation for the elections?

[Adames] "We have not commented on that because we still think there will be no elections; generally speaking, there are only guarantees for one side and none for the opposition."

PPA Deputy Secretary General Guillermo Endara, however, made these comments on the subject:

[Endara] "The Electoral Tribunal is organizing the elections very poorly. The list of voters is full of mistakes. They gave us a list that was late and incomplete. Instead of the legally mandated five copies, we only received one. This indicates that an enormous fraud is coming up. However, what the military is trying to do with the PPA is even clearer evidence of the fraud that is coming up.

[Reporter] "Is there a high percentage of mistakes?

[Endara] "The mistakes affect opposition parties exclusively, and especially the PPA.

[Reporter] "Will the PPA participate in the elections or will it struggle against this?

[Endara] "As I have said so many times, that will be decided by the Panamenist party members. We have already agreed that one of the discussion points at the 8 January national convention will be whether or not the PPA will participate in the elections."

When the results of the election for the new district directorate were announced, it was declared that after a tight vote Aristides Vernaza, who headed the Vox Populi, Vox Dei slate, defeated Dr Guillermo Garcia.

Liberal Party Denies Withdrawal From UNADE

PA1312130988 Panama City Televisora Nacional in Spanish 2300 GMT 12 Dec 88

[Text] The Liberal Party will remain in the UNADE [National Democratic Union] until its delegates decide otherwise. Liberal Party Vice President Gonzalo Tapia made this announcement and confirmed that PALA [Labor Party] leaders had invited other UNADE parties to form a new alliance. Tapia explains the situation:

[Begin recording] We attended a meeting because, as we understood it, the PALA leaders were going to explain to their guests the in-depth reasons they had for the communique they issued last week. During our talks, they pressed us to issue a communique on the views expressed at the meeting. They wanted the communique to say steps had been taken to create a new political alliance. [Liberal Party Secretary] Dario Gonzalez and I understood that the meeting was held so the PALA leaders could explain why they issued their communique last week. During the lunch we held a discussion. In the end, no communique was issued. No alliance was agreed on during that meeting. Dario Gonzalez and I said we would need direct authorization from our party's National Executive Committee. That is how things stand. [end recording]

Commerce Minister Discusses State of Economy

PA1312202788 Panama City MEDIODIA in Spanish 12 Dec 88 p 2

[Text] Commerce and Industries Minister Mario Rognoni has said that while the Colon Free Zone's commercial activity is at approximately 95 percent of its normal level, the overall Panamanian economy remains at somewhere between 50 and 60 percent of normal activity.

The commerce and industries minister said the commercial activity noted so far this month is quite normal for this time of year, "but we must not kid ourselves" that this upsurge will continue.

Rognoni said this month's commercial activity will mean a recovery for many businesses. The current heavy cash flow and the people's Christmas spirit will help many businesses recover what they lost throughout the year, Rognoni added.

Reduction in Government Workers Possible

PA1312200988 Panama City MEDIODIA in Spanish 12 Dec 88 p 2

[Excerpt] Gustavo Gonzalez, planning and economic policy minister, has not ruled out the possibility of a reduction in force or firing of government employees as an option for reducing government spending to match expected revenues. The government's revenues have been reduced by 45 percent this year.

"I cannot say there will be mass dismissals; however, the government payroll can be adjusted by firing workers or by a reduction in force. These adjustments will have to be made to match our expenditures with our revenue," the government official said in a recent interview with MEDIODIA.

Minister Gonzalez added that "the government is studying various options."

Meanwhile, other sources yesterday said the "government will be forced to adopt a series of measures that will affect the financial situation of many government workers."

They added that this year the government "will not be able to meet the labor sector's demands. It will have to establish a new wage scale that will mean a salary cut for most government employees."

The government currently has 130,000 workers on its payroll, and the total monthly payroll is $50 million.

The planning and economic policy minister also touched on the country's economic growth in 1988. Gonzalez says that by the end of the year the country's economic growth and per capita income will have dropped 20 percent. [passage omitted]

No Dismissals Until 30 Jan

PA1312133988 Panama City Televisora Nacional in Spanish 2300 GMT 12 Dec 88

[Text] The government, through the Labor and Social Welfare Ministry, has issued Decree No 22, dated 5 December 1988. The decree bars the dismissal of any employees until 30 January 1989. This is a gesture of solidarity with the working class, which has been the hardest hit by the economic aggression the country is experiencing. Moreover, the government is taking the Christmas and New Year holidays into account with this decision.

Argentina

Panama's Noriega 'Pressured' To Keep Seineldin

PY1312155788 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1615 GMT 12 Dec 88

[Text] Buenos Aires, 12 Dec (NA)—Marta Alice Labeau de Seineldin, the wife of Colonel Mohamed Ali Seineldin, today revealed that Radical Party officials "pressured" the Panamanian Government—before the last military uprising—to extend Seineldin's invitation in Panama as a defense forces adviser.

Mrs Seineldin, who will return to Buenos Aires tomorrow, stayed in Panama during the rebellion that was led by her husband and that ended on 4 December when the rebels laid down their arms to the loyal troops led by Army Chief of Staff General Dante Caridi.

In statements to Radio Continental, Mrs Seineldin said, from Panama City, that Raul Alconada Sempe former defense secretary and current Foreign Ministry secretary for special affairs did "everything in his power" to get the Panamanian Government to extend her husband's contract.

"Alconada has always done his best to make my husband stay here, but the decision could not be made by the Argentine Government, because an adviser must be invited by the host country," she added.

Mrs Seineldin stressed that "they were pressuring Noriega to once again invite my husband."

She explained that her husband had practically no personal contact with General Antonio Noriega, although, she noted, the Panamanian strongman "rapidly approved" the work projects submitted by her husband.

"My husband had practically no contact with Noriega. He must have seen him 8 or 10 times a the most. He sent his work projects to the general, who approved them. Consequently, the work was swiftly undertaken, but it involved no personal contact," she added.

Mrs Seineldin admitted that her husband did not agree with the methods used by Lieutenant Colonel Aldo Rico in the Monte Caseros uprising, adding the "in the end, the whole Army shares his opinion."

"Basically, the whole Army has the same opinion, but my husband did not agree with the method used by Rico and with the way he was treated," she said.

Despite the uprising, Mrs Seineldin said her husband is still "fully respectful of the chain of command." She recalled a situation that happened a few days before the conflict in Panama.

"My husband is still subordinated to the Armed Forces, and throughout his career he has been fully respectful of the chain of command. When a general called him to Panama to tell him that there was no vacancy to promote him to the rank of General, my husband stood up to talk with him instead of remaining in his seat," said Mrs Seineldin, trying to depict Colonel Seineldin's military background.

Mrs Seineldin flatly ruled out that the uprising was caused by the fact that he was not promoted to general.

"He was very happy to retire. He even told me that he would study at the university. This was not the reason, because he said that his military career was over and that he could not ask anything else from the Army," she added.

Mrs Seineldin said she did not understand a phrase that has been attributed to Seineldin which goes, "corn husks are never green, and Jews are never good."

"My husband, who is the son of Arabs, is believed to be an enemy of the Jews. He is not; my in-laws have friends who are Jewish. I don't know why they say that," she concluded.

Nicaraguan Vice President Arrives for Visit

PY1312211988 Buenos Aires TELAM in Spanish 1829 GMT 13 Dec 88

[Text] Buenos Aires, 13 Dec (TELAM)—Nicaraguan Vice President Sergio Ramirez Mercado arrived this afternoon at the Aeroparque Metropolitan Airport aboard an Argentine airlines' jetliner. Ramirez, who came from Montevideo, announced that tomorrow he will meet with President Raul Alfonsin and Vice President Victor Martinez.

In remarks to newsmen, Ramirez said the purpose of his visit is twofold: to contact Argentine Government officials and political leaders and to present a book entitled "Divine Punishment" to the General San Martin Cultural Center.

Ramirez added that he will stay in Buenos Aires until 16 December and that his political meetings are designed to strengthen ties between Argentina and Nicaragua. He was met at the airport by Nicaraguan Ambassador to Argentina Ariel Granera and by Argentine Foreign Ministry officials.

Economy Minister Returns From Rio de Janeiro

PY1412023488 Buenos Aires Domestic Service in Spanish 0100 GMT 14 Dec 88

[Text] Economy Minister Juan Sourrouille has returned to Argentina from Rio de Janeiro, where he participated in a meeting of the Group of Eight economy ministers.

Sourrouille did not make any comments to journalists waiting for him at the Aeroparque Metropolitan Airport.

Chief of Staff Names New Military Commanders

PY1312132188 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2109 GMT 12 Dec 88

[Text] Buenos Aires, 12 Dec (NA)—The Army Chief of Staff has officially reported that Colonel Hector Giralda has been designated as the new director of the Infantry School, epicenter of the latest military uprising.

Giralda had been designated as deputy commander of the Infantry Brigade headquartered in Tucuman, following 2 years in Paraguay as military attache.

The Army communique reads as follows:

"By resolution of the Army Staff, and in forming part of the organizational structure of the Army, the following senior officers have been designated to the following posts:
"Director of the Infantry School: Colonel Hector Mario Giralda.
"Chief of the Infantry Brigade Staff (Tucuman): Colonel Abel Fernando Dalbo.
"Chief of the Infantry Regiment in Monte 29: Lieutenant Colonel Walter Roque Minod.
"Chief of the Infantry Regiment in Monte 30: Lieutenant Colonel Alejandro Diogenes Rodriguez.
"Chief of the 3d Mechanized Infantry Regiment: Lieutenant Colonel Jorge Ismael Zamudio.
"Chief of the 1st Patricios Infantry Regiment: Major Hernan Carlos Pita."

New Air Force Secretary General Installed

PY1312151388 Buenos Aires TELAM in Spanish 1412 GMT 13 Dec 88

[Text] Air Force Chief of Staff General Ernesto Crespo today installed Colonel Manuel Villagran as the new Air Force Secretary General.

Col Villagran was chief of the First Air Brigade in Palomar. He is replacing General Carlos Enrique Corino who has been transferred to a post abroad.

Bolivia

Ministers Applaud Gorbachev's Proposal on Debt

PY1312025688 Madrid EFE in Spanish 0236 GMT 12 Dec 88

[Text] La Paz, 11 Dec (EFE)—Soviet leader Mikhail Gorbachev's proposal to postpone the payment of the foreign debt for 100 years or to completely pardon it has been received with hope by Bolivia, a country that must use 60 percent of its exports to pay for the debt.

Opposition and ruling sectors alike today said that if Gorbachev's proposal comes true, the Third World countries will have the chance to overcome the poverty in which they have been living.

Commenting on Gorbachev's proposal, Bolivian Vice President Julio Garret Ayllon said the foreign debt has prevented the Bolivian Government from assigning funds to priority sectors such as health, education, and housing. It has also made it impossible to improve the standard of living of the poorest strata of the Bolivian society.

Although the Bolivian debt is very small compared to other countries, according to government officials, the country has the highest indebtedness per capita in all of Latin America in view of its low GDP, which amounts to a mere $4 billion a year. [sentence as heard]

In Foreign Minister Guillermo Bedregal's opinion, the idea to postpone payment of the debt for 100 years or to pardon it is a "real innovation that will make the Western countries think about the real meaning and consequences of the debt."

The Bolivian Labor Confederation (COB) also supported Gorbachev's proposal. The leftist parties' representatives stated: "Only a long-term postponement or the pardoning of the debt will solve the ever-increasing, distressing problem."

COB Secretary Zulema Alanes said: "The debt is an immoral and unfair burden on the shoulders of our countries. It is a debt that has not improved the situation of the people and, therefore, cannot be paid."

Brazil

Nobrega on Finance Minister's Meeting

PY1312170788 Sao Paulo FOLHA DE SAO PAULO in Portuguese 11 Dec 88 pp B-1, B-10, B-11

["Text" of interview with Finance Minister Mailson da Nobrega to FOLHA DE SAO PAULO reporter Eleonora de Lucena in Brasilia on 9 December]

[Excerpt] [Passage omitted]

FOLHA: What are the topics to be discussed at the meeting of finance ministers to be held in Rio de Janeiro this coming weekend?

Da Nobrega: We will discuss the Third World foreign debt issue, which should now enter a third stage. The first stage ran from 1982 to 1985. At the time, the multilateral institutions and the industrialized countries said that the problem was a temporary crisis of liquidity. This was an evaluation based on the Mexican moratorium, which caused panic. It was then thought that it would be sufficient for the debtor countries to draw programs of adjustment to a new situation, and for the IMF to coordinate the disbursement of new money which was made available by the private banks and the export-financing agencies, and then, everything would return to normal.

By 1985, it became clear that this evaluation was not correct. The second stage then began with the Baker Plan. That is, the evaluation was different: The crisis was not seen to be temporary; it had structural characteristics. The debtor countries thought that they should promote profound structural reforms to restore the confidence of domestic and foreign investors in the possibilities of their economies. Three years later it was realized that the evaluation fell short. The banks were not making loans as expected, and the multilateral institutions were not augmenting their disbursments. Only the debtor countries were fulfilling their part in the plan. The banks were able to increase their reserves. This is today's evaluation, and the problem now is the excessive debt.

FOLHA: Is part of the debt unpayable today?

Da Nobrega: Part of the debt is unpayable.

FOLHA: Is this what the opposition said years ago?

Da Nobrega: I do not know, but some people were saying so. There is now a rather broad consensus that the outstanding debt is too heavy, and, consequently so is its servicing. But a full consensus takes time, and countries like Brazil, Argentina, Mexico, and the other Latin American countries lack the power to impose their viewpoint. We have to work together, discuss together, talk together about our experiences, and pressure together. We must never negotiate together, however, because each country and its debt problem are different. In Rio de Janeiro we are going to discuss two topics: One is the intra-Latin American debt; and the other is the external debt, especially between those countries and the creditor banks. Would it be possible to have a meeting of the seven largest Latin American debtors with the seven largest countries that are home of the largest bank creditors?

FOLHA: Will that be a proposal?

Da Nobrega: No, we will not make any proposal. In my view, there are only three ways to reduce the oustanding foreign debt, and we will discuss those three ways. The first one is through the market mechanisms for debt conversion. The second is through the repurchase of the debt, but for this we need to have large reserves. And the third is through the so-called exit-bonds, of which Brazil is already availing itself. These market mechanisms have limitations. Recent studies show that if the market mechanisms are the only ones employed to resolve the foreign debt problem, it will take at least 10 years to resolve it. And it is impossible to wait that long.

FOLHA: Then, will market mechanisms not be sufficient?

Da Nobrega: Market mechanisms will not be sufficient. There are two other ways: one, the IMF could use SDRs [Special Drawing Rights] to buy the debt notes at a discount on the secondary market; then it would transfer such discounts to the debtor countries, which become indebted to the IMF alone. The industrialized countries are opposed to this procedure because it would transfer risk from the private to the public sector.

FOLHA: And do you believe that if things continue as they are, the debtor countries will be hurt...

Da Nobrega: Oh, yes, they will be hurt. If things continue as they are, the debtor countries will suffer an effect that is comparable to payment of war reparations. Of course, the circumstances are different, but the economic effect would be the same—the remittance abroad of an important portion of the GDP on the order of 4 to 5 percent.

FOLHA: How long can a country survive in that situation?

Da Nobrega: Look, let us hope that does not happen in 1989. The transfer of resources represents from 15 to 20 percent of domestic savings, and the country does not have a level of savings to keep that up. Another proposal would be the exchange of debt bonds for debt notes—an operation known as securitization. A country issues bonds and uses them to buy the old debt notes. That bond should have a guarantee of payment, probably from the World Bank. But experience shows that this would not be enough. Under this scheme, the most important point is the interest rates to be paid on the bonds. It can be clearly seen in the market that: 1) Banks are inclined to take a loss on the credits that they granted, and most banks have already made reserves to that end; and 2) the banks will take that loss provided someone can guarantee them that they will receive what is left. If not, the tug of war will continue.

It is not sufficient to tell the banks that one will pay the reduced principal; they must be assured that they will be paid the remainder of the principal. So new ideas have been brought up, including the idea that not only the principal but the interests on the bonus will be paid. The ministers who will meet in Rio de Janeiro feel that such ideas are maturing more rapidly than we imagined. [passage omitted]

Communist Party Leader on Strengthening Democracy
AU1312125388 Budapest NEPSZABADSAG in Hungarian 9 Dec 88 p 2

[Interview with Salomao Malina, leader of the Communist Party, by Attila Seres: "Attempts to Strengthen Democracy"—in Budapest, date not given]

[Text] Salomao Malina visited Hungary at the invitation of the MSZMP [Hungarian Socialist Workers Party] Central Committee. During his visit, Salomao Malina received our correspondent and answered his questions.

[Seres] Elections for local administration have been held in Brazil recently, elections that are regarded as the last trial of strength prior to the presidential election due next year. What were the results and what conclusions do these results provide for the future?

[Malina] I do not have exact information myself because the votes were still being counted when I left, but the results so far make it already possible to draw some conclusions. One thing is certain; the left wing has increased its influence considerably. With their votes, the Brazilian electorate expressed its disagreement with the present government's economic policy, and the situation is now ripe for radical changes. A characteristic piece of information which leads to understandable dissatisfaction among people living from wages—price increases are expected to reach 800 percent this year. The answer given by the masses to the present conditions could be nothing else but a clear no. As for the Communist Party, we tried to voice our positions by joining election alliances. We formed alliances with left-wing parties in the main regions, but it also happened that we supported the government party in some places. The results so far make it almost certain that the left-wing party alliance won the elections in the capitals of several federal states, like Sao Paulo, Belo Horizon, Porto Alegre, Victoria, Goiania, and Sao Luis. This also means that several communist deputies are now part of the local council leadership in these cities. Considering that our party was still illegal 5 years ago, it is perhaps not an exaggeration to say that this is a great achievement. As for future prospects, it would be too early to celebrate and think of certain success at the presidential elections due next year. However, there is no doubt about it that, this time, the largest party has lost, and a miracle is needed for its revival within 1 year. For example, Ulysses Guimaraes, chairman of the government party and the most favorite presidential candidate, did so badly at the recent local elections that he has considerably weakened his position. These elections have also focused attention on something else. There is no party in Brazil which could win alone. We can solve our accumulated problems only together, by strengthening democracy.

[Seres] If we speak about the Brazilian economy, the Hungarian readers mostly think of this country's foreign debts which exceeded $120 billion a few months ago. However, rumors have been circulating lately according to which, by means of a government package deal, the amount of your debt decreased by $5 billion in 6 months. What is this miracle solution?

[Malina] There is no miracle solution here, but rather a double-edged sword. The government has indeed worked out a "debt reorganizing" program according to which creditors are allowed to purchase the shares of Brazilian enterprises in local currency. Lately, such "auctions" have been organized monthly, and these led to a huge inflationary pressure, so that the government itself decided to reduce the number of such transactions. Another "miracle solution" was also tried out. The government encouraged exports and radically restricted imports, but, after some time, this was to the detriment of production, although it had a favorable effect on our trade balance. However, no attempts are made to globally solve our indebtedness problems, because this would require a modification of international economic conditions, and not necessarily in the benefit of the multinational enterprises. However, if the interests of big capital are threatened, politics will immediately come to its rescue. The same happened now. As soon as the results of the local elections were made public, our newspapers, which are circulated worldwide, started to threaten their readers that, if they win, the radical parties will halt repayment of our debts. Therefore, we will start the presidential elections with such a "handicap" next year, and we cannot rely on anything except on our own determination and the support of masses who see things clearly.

Military Ministers Oppose Disclosing Data

PY0712030688 Rio de Janeiro O GLOBO in Portuguese 6 Dec 88 p 20

[Text] Brasilia—The military ministers have deemed the IBRD [International Bank for Reconstruction and Development] demands to the Brazilian Government regarding the release of a $500-million loan to the electricity sector as unwarranted meddling in Brazilian domestic affairs. The military ministers, who are members of the Superior Council for Nuclear Policies (CSPN) and of the National Defense Council, were strongly against Brazil submitting to the IBRD a study on the economic feasibility of the Angra III nuclear plant as an indispensable condition for the release of money to be used by the electricity sector.

According to government sources, the problem has become entirely political, involving Itamaraty and the military sector. The obstacles to the release of the IBRD loan to the electricity sector appeared after the nuclear program started to depend on Eletrobras. In the opinion of IBRD executives and experts, this is an unprecedented challenge because the Eletrobras has never worked with nuclear projects.

The request to analyze the study on the economic feasibility of Angra III was IBRD's trick to obtain more detailed data on the Brazilian nuclear program from the government. The IBRD did not accept the Brazilian Government's guarantees that the money assigned to the electricity sector would not be used to finance nuclear projects. The IBRD request, however, is resisted by the Brazilian military, who believe that the nuclear program is a matter of national security and must be kept secret.

Without the IBRD money, Eletrobras—which has already been authorized by the government to request domestic loans amounting to $150 million to close its balance this year—will face further financial difficulties.

PT Proposes 'Emergency Economic Program'

PY1312211188 Rio de Janeiro O GLOBO in Portuguese 12 Dec 88 p 5

[Text] Sao Paulo—The main items of the PT's Alternative Emergency Economic Program are:

Foreign Debt—Immediate suspension of interest payments followed by negotiations based on the secondary market value of the debt, which has depreciated by 40 percent.

Salaries—Adoption of a single index to adjust salaries. This index should be the result of an agreement between workers, businessmen, and government officials and should contemplate the immediate and automatic payment of previously agreed upon indexes worked out according to a decreasing inflation rate.

Recovery of the purchasing power of salaries—Implementation of a negotiation process to establish a nationally coordinated labor contract in accordance to the guidelines proposed by the CUT [Sole Central Organization of Workers].

State Enterprises—Suspension and review of the indiscriminate privatization policy.

Tax Policy—General review of tax subsidies and incentives and elimination of most of them.

Investment Fund—Creation of a fund with resources provided by the savings on the service of the debt discount. This fund should be used to help the development of certain sectors of the economy.

Bank of Brazil Reports November Trade Surplus

PY1412014388 Brasilia Domestic Service in Portuguese 2100 GMT 13 Dec 88

[Summary] According to data released this afternoon in Rio de Janeiro by the foreign trade department of the Bank of Brazil, the Brazilian trade balance registered a surplus of $1,595,000,000 in November 1988.

Exports totaled $2,958,000,000, and imports totaled $1,363,000,000.

Chile

Government Recognizes Palestinian Homeland

PY1312183388 Santiago Radio Chilena Network in Spanish 1700 GMT 13 Dec 88

[Text] The Foreign Ministry of Chile has released a note regarding consolidation of an independent Palestine state. The note says that the Chilean Government is in favor of recognizing its sovereignty, its territorial integrity, and its political independence from the state of Israel, as well as from other states in that region, which have the right to live in peace within secure and well-defined boundaries.

The government of Chile also states that it favors the self-determination of the Palestine people, including their right to constitute their own state.

The Chilean Government also expresses its conviction that only through peaceful negotiations can a just and lasting solution be found to the Middle East conflict. To this end, the Chilean Foreign Ministry note adds that acceptance of Resolutions 242 and 338 of the UN Security Council and the National Palestine Council's condemnation of terrorism constitute a positive element.

Ambassador Sends Condolences to Soviet Colleague

PY1412014088 Santiago Domestic Service in Spanish 2200 GMT 13 Dec 88

[Text] Pedro Daza, Chilean ambassador to the United Nations, has sent a letter of condolence and solidarity to his Soviet counterpart in the United Nations regarding the earthquake that hit Armenia, a USSR republic. This information was released today by acting Foreign Ministry spokesman Adolfo Carafi.

According to the latest reports, the official death toll of the earthquake that hit Armenia last week stands at 55,000.

Torres Named Army Judge Advocate General

PY1312235888 Santiago Domestic Service in Spanish 2200 GMT 13 Dec 88

[Text] Special Military Prosecutor Fernando Torres Silva has confirmed that the commander in chief of the Army has appointed him Army judge advocate general. This is the highest position within the Army Judge Adovocate Corps. Torres will replace General Eduardo Avello Concha who has submitted his retirement papers.

Three other colonels of the Army Judge Advocate Corps have also asked for their retirement: Joaquin Erlbaum, Rolando Melo Silva, and Alberto Marquez Alyson.

Torres explained that it is not necessary for him to be promoted to the rank of general in order to take over as judge advocate general. This promotion can come now or at some time in the near future. This action is totally independent from my appointment to the post of judge advocate general, he said.

He added that he considered the appointment a great honor because it is the crowning point of his career.

Torres said that his new responsibilities will force him to entrust to others the cases he is currently handling: the attack on President Pinochet, the smuggling of weapons, and the murder of Carabinero Miguel Vasquez Tobar.

He explained that the position of special military prosecutor is incompatible with the job of Army judge advocate general.

National Socialist Party Leader's Home Bombed

PY1412024088 Santiago Radio Chilena Network in Spanish 2200 GMT 13 Dec 88

[Text] This afternoon a bomb exploded at the home of National Socialist Party member writer Miguel Serrano. The bomb caused great damage but claimed no victims.

Serrano blamed ODEPLAN [National Planning Office] Director Sergio Melnick for the attack, which occurred at 1530, on his apartment at 91, Victoria Subercaseaux, in downtown Santiago.

A group of people placed the bomb at the apartment door, and entered the apartment. While inside they searched for, and destroyed, documents of the Chilean National Socialist Party members. The group later fled.

Serrano has said that Minister Sergio Melnick and the security forces were behind the attack.

Police thoroughly searched the apartment for clues, but found none.

Carabineros Station Attacked; No Victims

PY1312131288 Santiago Domestic Service in Spanish 0930 GMT 13 Dec 88

[Text] Terrorists last night shot at the [name indistinct] Carabineros station in northern Santiago. Police sources have reported that there were no victims of the attack, which occurred at about 2130. From a passing taxi, the political criminals opened fire on the Carabineros barracks at (?7209), Independencia Street. They used automatic arms. The sources said that there were three or four individuals in the taxi, and that they had to escape because of the rapid reaction of the policemen on duty. An intense dragnet immediately began with the support of a helicopter of the Carabineros Air Unit.

Colombia

President Approves Budget Law for '89 Fiscal Year

PA1312195088 Bogota EL SIGLO in Spanish 6 Dec 88 p 2-A

[Text] President Virgilio Barco approved the budget law for next year in the sum of 1,878,836,922,000 pesos.

This Law 57 was signed on 29 November and promulgated today "as the income and capital resources budget and appropriations law for the fiscal year 1 January to 31 December 1989. [quotation mark as published]

The above sum will be earmarked for operational and investment costs as follows:

—National Congress:
operational costs 12,091,423,000 pesos.

—Comptroller General:
operational costs, 16,136,504,000 pesos; investment costs, 25,000,000 pesos.

—Presidency:
operational costs, 1,956,450,000 pesos; investment costs, 5,365,000,000 pesos.

—National Planning Department:
operational costs, 1,249,919,000 pesos; investment costs, 4,773,604,000 pesos.

—National Administrative Department of Statistics:
operational costs, 1,833,162,000 pesos; investment costs, 174,200,000 pesos.

—Administrative Department of Security (DAS):
operational costs, 6,462,218,000 pesos.

—Administrative Department of Civil Aeronautics:
operational costs 8,243,438,000 pesos; investment costs, 1,838,100,000 pesos.

—Administrative Department of Intendancies and Commissariats:
operational costs, 822,705,000 pesos; investment costs, 440,000,000 pesos.

—Administrative Department of Cooperatives:
operational costs, 694,350,000 pesos; investment costs, 183,500,000 pesos.

—Government Ministry:
operational costs, 982,259,000 pesos; investment costs 7,297,397,000 pesos.

—Foreign Affairs Ministry:
operational costs, 12,723,060,000 pesos; investment costs, 2,000,000 pesos.

—Justice Ministry:
operational costs, 15,042,688,000 pesos; investment costs, 453,600,000 pesos.

—Finance and Public Credit Ministry:
operational costs, 195,224,973,000 pesos; investment costs, 29,988,120,000 pesos; servicing of national public debt, 530,494,779,383 pesos.

—National Defense Ministry:
operational costs, 98,584,770 pesos; investment costs, 32,388,759,000 pesos.

—National Police:
operational costs, 92,777,466,000 pesos; investment costs, 42,433,649,000.

—Agriculture Ministry:
operational costs, 29,733,999,000 pesos; investment costs, 42,433,649,000 pesos.

—Labor and Social Security Ministry:
operational costs, 43,245,325,617 pesos; investment costs, 366,332,000 pesos.

—Public Health Ministry:
operational costs, 70,165,135,000 pesos; investment costs, 10,576,330,000 pesos.

—Economic Development Ministry:
operational costs, 10,377,183,000 pesos; investment costs, 91,485,088,000 pesos.

—Mines and Energy Ministry:
operational costs, 2,897,625,000 pesos; investment costs, 40,305,020,000 pesos.

—National Education Ministry:
operational costs, 275,262,2935,000 pesos, investment costs, 7,882,262,000 pesos.

FARC, M-19 Begin Cease-Fire in Tolima

PA1412043988 Bogota EL TIEMPO in Spanish 9 Dec 88 p 5-C

[Text] Some M-19 and FARC fronts have lit a candle for peace in the southern mountains of Tolima Department. The ceremony marked the beginning of the cease-fire in this department, which was ordered by the rebel groups as their guarantee of a Christmas without bloodshed.

The guerrillas spent 6 hours discussing with Tolima political figures the terms of the declaration, which was signed on Wednesday. "Commander" Carlos Augusto Erazo of the M-19's "Jorge Eliecer Gaitan Column" read the declaration to an audience of 500 people.

Alongside him were Roberto Salgado, chief of FARC's 21st Front, and Ibague Council President Flavio Rodriguez.

They informed the Colombian public of "a cease-fire in Tolima."

PCC Leader on Rebels, Constitutional Amendments

PA1412022388 Bogota Inravision Television Cadena 1 in Spanish 1730 GMT 12 Dec 88

[Report by Jesus Garzon on an interview with Gilberto Vieira, secretary general of the Communist Party, PCC, during the 15th PCC Congress in Bogota on 12 December; passages within quotation marks recorded]

[Text] [Garzon] Very early today and under heavy security, Colombian communists gathered at the Bogota Convention Center. The comrades entered one by one wearing informal clothing and displaying party discipline.

The comrades stepped on the delicate carpet regardless of the kind of shoes they were wearing. The regular session began 30 minutes late without the playing of the national anthem. From today until Thursday, the comrades will be discussing the current situation in the country.

At the opening session, the communists mentioned the democratic opportunity created by the popular election of mayors and the recognition of the Patriotic Union as a political party. The comrades also commented on their link to the guerrillas:

[Vieira] "I believe the guerrilla actions are totally justified. They are a response to institutionalized violence."

[Garzon] The eternal communist leader also criticized the constitutional amendments and the peace process:

[Vieira] "The peace plan of Barco's government actually addresses a defeated guerrilla movement and that is quite different from what is reality in Colombia."

[Garzon] What will constitutional amendments help solve?

[Vieira] "What they are now calling constitutional amendments are an attempt to deceive and trick the Colombian people."

Military Appointments, Promotions Reported

PA1312233588 Bogota EL TIEMPO in Spanish 7 Dec 88 p 8-A

[Excerpts] Today, 20 Armed Forces officers will be promoted to the ranks of general, admiral, major general, vice admiral, brigadier general, and rear admiral. [passage omitted]

Promoted to brigadier general were Colonels Jose Roger Sanchez Gonzalez; Alfonso Antonio Abondano Alzamora (new director of the Marco Fidel Suarez School of Aviation); Hector Hernando Gil Nieto (appointed director of Aerial Command No 1 and the German Olano Air Base); Rodolfo Torrado Quintero (new commander of the 8th Army Brigade); Hugo Arturo Tovar Sanchez (appointed commander of the 10th Army Brigade); Carlos Julio Gil Colorado (new commander of the 14th Army Brigade); and Manuel Jose Bonnet Locarno (appointed commander of the 3d Army Infantry Brigade).

Promoted from the rank of naval captain to rear admiral were Roberto Serrano Avila (new commander of the San Andres and Providencia Command) and Benjamin Gamarra Murillo. [passage omitted]

Paraguay

Archbishopric 'Condemns' Violence During March

PY1312181088 Asuncion EL DIARIO in Spanish 13 Dec 88 p 10

[Quotation marks as published]

[Text] The Asuncion Archbishopric has issued a communique in which it points out the need to "urgently build a new Paraguay" and it condemns those who have "once again resorted to the unjustified use of violence." The communique, which refers to the recent events of the "March for Life," begins by stating that "no one was surprised by the incidents that occurred in the vicinity of the Cathedral of Asuncion on the morning of 10 December where Paraguayan citizens, beyond political or social differences, were summoned to a "March for Life" to begin the solemn commemoration of the 40th anniversary of the universal declaration of human rights. The show was predictable because of the permanent harassment by the government. This is the usual answer to all the attempts to uphold human rights.

Like on many other occasions, the repressive forces—who were complying with "orders from above"—once again resorted to the unjustified use of violence against defenseless people. They also arrested many people, without any justification, for the purpose of "safeguarding order in the streets and the peace that the country is enjoying."

During the Chaco War, more than 50 years ago, men behaved like real men. Those who are now old veterans were at that time young peasants and students who bravely brandished their arms for a noble and just cause, fighting against men who were also armed but with better materiel. On ranches, cattle are traditionally driven with a whip. Today, animals are set free on the streets and roads, while men are whipped and beaten to clear the streets! We have seen it, and the world is aware of it!

What has happened? In the past, men were real patriots and not flag-wavers. There were exceptions though. That was Paraguay. Those men did not live off the fatherland; they struggled and died for it.

What can we do now? We should urgently build a new Paraguay, joining old and new values, based on the faith in God, in the love for the fatherland, and in the devotion for the Virgin Mary.

We should return to the traditional, moral, cultural, and religious values of our people, like austerity in personal and social life, compassion for our fellowbeings, unaffected friendship, solidarity, and zealous and courageous defense of one's honor and one's home."

The communique then quotes Pope John Paul II and concludes by saying that "he who can understand, will understand the following. Is the Pope engaging in politics?" He is preaching the Gospel, the Word of Christ, because "the church cannot be isolated inside a temple, just like God cannot be isolated inside the conscience of men," (16 May 1988, at Government House) [During Pope's visit to Paraguay].

Speaking for the Paraguayan people and for the church, we condemn unnecessary violence, and the beating and the imprisonment of defenseless people who took to the streets to demand compliance with international and local human rights commitments.

Christmas time is coming! It is time for reconciliation and peace, with God and with our fellowbeings. It is time for reconciliation and peace within families; it is time for overcoming disaccord and for beginning a friendly dialogue among all men.

Arrested Leaders Begin Hunger Strike, 4 Released

PY1312150188 Asuncion HOY in Spanish
13 Dec 88 p 8

[Excerpt] The police on 12 December failed to comply with a Supreme Court order to present the more than 30 political, labor, and social leaders and journalists who are being held at several police units in Asuncion. The court issued the order after granting a habeas corpus petition which had been submitted on behalf of the detainees. At 0700, the male prisoners began a hunger strike and were joined by the female detainees at 1800. They demanded their immediate release.

Only four detainees were released yesterday. They are former Febrerista Revolutionary Party President Dr Fenrnado Vera, Archdiocese Council of Laymen President Maria Victoria Brusquetti de Ferreira, Human Rights Commission President and Authentic Radical Liberal Party Executive Board member Carmen de Lara Castro, and Oscar Portillo, who is a member of the same party.

Justice Minister Jose Eugenio Jacquet said a few days ago that the detainees would be released immediately after the "March for Life," but they are still being held at police station No 12, in Trinidad, and at the Special Security Prison. [passage omitted]

Police Arrest HOY, Radio Caritas Reporter

PY1312145588 Asuncion HOY in Spanish
13 Dec 88 p 8

[Text] Juanita Carracella, reporter of the daily HOY and Radio Caritas, was violently arrested at 1255 yesterday at Radio Caritas as she was arriving for work. No reason for her arrest was given. She was taken to the Central Police Headquarters and later transferred to the 12th Police Precinct.

Carracella's arrest has created great concern among reporters because of her family responsibilities. She has two children and one of them needs special care.

Radio Caritas spokesmen condemned her arrest. They said that "people in civilian clothes cannot violently arrest people. She should not be held incommunicado."

Central Bank President on Debt Renegotiation

PY1312150788 Asuncion HOY in Spanish
13 Dec 88 p 11

[Text] Asked about the debt situation, Paraguay's Central Bank President Cesar Romeo Acosta has stated: "We are studying the possibility of renegotiating our country's foreign debt, especially the short-term debt." The technical document prepared by the Central Bank and submitted for consideration by the National Economic Coordinating Council, states that despite the persistent reduction of the international monetary reserves, one of the reasons for preparing the document is that "the overdue foreign debt accrued to 30 September, 1988 totals $240,195,300. We must seek the formalization of agreements with creditors to reschedule the foreign debt," the document states.

The Central Bank President states that "this matter is not easy, because we must talk with our creditors, and we know that in these cases the renegotiation to a great extent depends on them, but we have to make the proposal." He added that he is studying the possibility "of renegotiating the short-term debt with creditors."

Asked about the causes that had led to this situation, he answered that "the answer is obvious. There are problems everywhere."

Asked about the proposal to alter the exchange rate that the Central Bank presented to the government, he stated: "These are preliminary, transitory measures. After approximately 6 months we will have to see whether we are in a position to recommend new measures."

Correction to Bank Proposes Exchange Rate

The following correction pertains to the item headlined "Central Bank Proposes New Exchange Rate," published in the 12 December Latin America DAILY REPORT, page 50:

Column one, first paragraph, second sentence make read "...carried out at 550 guaranies to the..." (correcting typo in figure)

Same column, fourth paragraph, first sentence make read "...will be reduced to 75 billion guaranies." (rewording, changing "by" to "to")

Peru

Garcia Discusses 'Economic, Social Crisis'

PM1312164688 Barcelona LA VANGUARDIA in Spanish 25 Nov 88 p 10

[Interview with President Alan Garcia by Kim Amor Sagues; date, place not given]

[Excerpt] Lima—[Passage omitted] [Sagues] Mr President, the country is suffering a serious economic and social crisis. A stringent and drastic economic recovery plan was launched 6 September. What factors do you believe are behind the crisis?

[Garcia] Back in 1985 Peru opted for growth and because of this, limited repayment of its foreign debt. On the domestic plane it was necessary to exploit the unused capacity of our production apparatus. This worked, but it accelerated the consumption of the country's reserves and currency. Furthermore our exports cannot restore the reserves consumed by growth. Thus, in 1988 we discovered that our reserves were depleted and that in some industrial fields the production ceiling for the existing capacity had been reached. This is why inflation began a threatening rise and we discovered that certain economic instruments that had proved positive in the early years of growth were becoming recessive and negative as inflation increased.

[Sagues] What is your assessment 2 months after the 120-day anti-inflation plan was introduced?

[Garcia] The measures have had a traumatic impact but some positive results have been achieved. They have made the economy more rational. Of course the adoption of these measures entails a rise in inflation, which creates new problems and pressures. It is a matter of adjusting national consumption in order to maintain a trade surplus to provide support for subsequent growth—not to establish a surplus that could be allocated to repaying the foreign debt. The state's overspending is in the social sector. Despite the impact of the September economic package, we still have a very high rate of subsidies, unequaled by any other country. I believe that the range of measures was all right but we left a door open that we must now close.

[Sagues] Many criticisms have been made not only of your government but particularly of you personally. There have even been rumors of your resigning from the presidency. Are you considering this possibility?

[Garcia] Absolutely not. Let anyone who wants to resign do so; it is very simple. If I had wanted to resign I would not be here and would have gone, leaving someone else with the unpleasant task of stringent economic reform.

[Sagues] There have also been rumors of unrest within the Armed Forces and there has even been speculation about a coup d'etat.

[Garcia] I imagine there must be unrest in any institution when its consumption is growing ever more rapidly and a sudden curb is applied to that increase. All that a break in democracy would achieve is to legitimize any subversive movement. The prospect of a military coup is either tragic and disastrous or it's impossible, because the role of an elected president enjoying 54 percent of the votes and a majority parliament is very different than the kind of role that could be played by a group of people whom nobody has elected. So far there is no Tejero here.

[Sagues] Terrorism is undoubtedly another threat to democracy. Do you believe there is a viable political, rather than military, solution to the insurgency problem?

[Garcia] For the present, the idea of a solution must not be confined to finding a key element that will make it possible to eliminate the terrorism problem in the short term. The solution must be relegated to the long term. Subversion in this country has deep social, cultural, and racial roots, so it would be naive to believe that the problem will be resolved in 1 to 2 years. When dealing with armed men, the task of suppression is not conducted politically: How could GRAPO [Spanish First of October Armed Revolutionary Group] and ETA [Basque Homeland and Freedom] be stopped politically? When there are armed men prepared to kill people, there is only one answer: to use to weapons of the law. In any case there is already a political response embodied in this democratic prospect of change, in which the plan for the creation of autonomous regions plays an important part.

[Sagues] Mr President, a kind of early election campaign seems to have begun recently with a view to next year's municipal election and the 1990 presidentials. The writer, Mario Vargas Llosa, is increasingly emerging as a possible right-wing presidential candidate. What is your opinion concerning his entry into the country's political life?

[Garcia] I never express opinions about individuals. What I think is that our homeland's liberal and right-wing options have played their part in the past, and I believe that conservatism would place Peru in greater difficulties.

[Sagues] How important could George Bush's victory be for Latin America?

[Garcia] It is said that under Mr Dukakis there would have been greater flexibility in dealing with Latin America, but it is known that because of his ideological leanings there would have been greater protectionism, so friendly gestures could have been countered by a tougher economic approach. Relations with the Bush government will have different personal characteristics from those that have prevailed during the Reagan presidency, with which all Latin Americans have had seriour differences.

[Sagues] What is your government's position on the external debt and the IMF?

[Garcia] Peru still adheres, and will continue to adhere, to the idea that a sovereign government's prime objective is to seek its people's growth and prosperity. We set the figure of 10 percent for debt repayment in 1985. We will adhere to this decision until we resolve our problems. It was not a mistake to suspend debt repayments, since it was thanks to this that we grew and will grow again. Similarly, it was not mistake to abandon the policy and theory of the IMF, which from the outset would have demanded the withdrawal of subsidies and the maintenance of low consumption on the population's part.

[Sagues] Are you considering the possibility of running for the presidency again?

[Garcia] I believe this is a question asked by those who have never been president, and I am increasingly convinced that you do not have to be president to conduct political activity. The presidency embodies a combination of things that often prevent you from fulfilling your true orientation and work skills, so when you have been something once in your life, I do not believe it is necessary to repeat it.

Shining Path Kills 7 Engineers in 8 Days

PY1312144388 Madrid EFE in Spanish 2047 GMT 12 Dec 88

[Text] Lima, 12 Dec (EFE)—The police reported today that a policeman and an engineer have been killed by presumed terrorists in two differnt actions during the past few hours.

The engineer, murdered near Matucana, 65 km east of Lima, is the seventh engineer to have been killed in 8 days. Today the police reported that nine alleged members of the Maoist Shining Path Guerrilla Movement yesterday intercepted engineer Cesar Samame's pickup truck and murdered him with two shots.

On Sunday, 4 December, a group of Shining Path terrorists entered the small town of Aquira, Apurimac Department, a zone of intensive subversive activity, and murdered four engineers, including two Frenchmen, who were working in an Agricultural Cooperation Program. They also killed the local justice of the peace.

Last Wednesday, two other engineers were killed in the town of Situcancha, Junin Department, in the central mountain region.

It was also reported today in Lima that a policeman was killed and three others wounded yesterday when presumed Shining Path members ambushed a 10-man patrol.

These policemen had been deployed to protect the locality of Pichari, Convencion Province, Cusco Department, 1,000 km southeast of Lima.

Shining Path Commando Kills Army Captain

PY1312164988 Madrid EFE in Spanish 0313 GMT 13 Dec 88

[Text] Lima, 12 Dec (EFE)—It has been reported in Lima that a Peruvian Army officer was murdered today by a presumed "annihilation command" of the "Shining Path" terrorist group in Junin Department, in the central mountain region.

According to local police sources, Captain Jaime Villacorta was traveling on a passenger bus that was intercepted today by the armed group in the locality of Concepcion. He was killed by a machinegun burst.

The source reported that the officer was not wearing a uniform but that the terrorists discovered his identity when they checked the passengers' documents.

This same command caused considerable damage to a dairy in the Rio Mantaro Valley in Junin Department, the capital of which is Huancayo, some 315 km east of Lima.

Venezuela

* Perez' Government Program Presented

[Article by Humberto Celli]

33480056a Caracas EL NACIONAL in Spanish 13 Nov 88 p A-4

[Text] Many people have abandoned the excellent tradition of reading, not only the classics and best-sellers or specialized texts, but also the daily news. And they let themselves be guided in adopting opinions on the reports which reach them by mere intuition or their pre-existing

interests. This naturally contributes to confusion and even further muddles the electoral political developments, which, fortunately, will end within 20 days.

The purpose of this brief introduction is to emphasize the important thing for the country, which is the presentation of the government program of Carlos Andres Perez: "Government Action for a Modern Venezuela." It provides precise details on the basic guidelines which will orient the government's policies in the next 5 years of the presidential term of Perez.

We will continue to stress this theme, because it is the proposal of the man who will win the election. It is desirable and necessary for all Venezuelans to understand these ideas, so that they can thus keep alive their hopes of a better future, personally and where the nation is concerned.

Before undertaking an analysis of some of the main aspects of the message, we would like to emphasize the statement made by Carlos Andres Perez about his solid links with the past history of the Democratic Action (AD). This has always been the case, and in large part, it explains the successful history of the AD.

All of the candidates, without exception, have represented themselves as supported by the historic endorsement of the party, although each has adapted this to his own era and its social, political and economic realities. The governments of Betancourt, Leoni, Perez, and Lusinchi were responses to a political program which was their common denominator. In contrast to other parties, we in the AD are consistent with our past, with its many successes and also with its errors or omissions, and for this reason we enjoy credibility and can develop the former in greater depth and can correct the latter. No electoral standard-bearer of the Democratic Action can deny its past.

Carlos Andres Perez divided his "Government Action for a Modern Venezuela" into eight great chapters. They deal with the modernization of democracy, socially efficient government, reorganization of the economy, the scientific and technological effort for development, cultural reconciliation policies, foreign policy guidelines, collective equipment and services and the development of our frontiers.

Where the modernization of democracy is concerned, the Democratic Action and the presidential candidate himself have already provided sufficient proof of their will for change. On 22 January, in his magnificent speech in commemoration of another anniversary of the liberation achieved on 23 January, Carlos Andres Perez sketched the main outlines of the political and electoral reforms which were approved in the Congress by the AD majority. It is not difficult for Carlos Andres Perez to propose changes, nor is it difficult for Venezuelans to believe in his sincerity. He conceives of the modernization of democracy on three great fronts: democratization of the political system, strengthening of civilian society and strengthening of the state of law.

The democratization of the political system will involve the following aspects: modification of the electoral system "in a search for a voting mechanism which simultaneously combines nominal and proportional representation of the minorities"; reform of the political parties, with the principal objective of providing the party base with a greater role in decisionmaking, ensuring its greater participation and asserting collective leadership; reform of the legislative branch to favor the optimal fulfillment of the tasks attributed to the national congress and the legislative assemblies; and reform of the executive branch, wherein the main innovation is the creation of the post of prime minister, and although his role has not yet been fully defined, a great consensus for approval of this measure will be sought; reforms of the municipal system, oriented toward "the participation of the neighborhood associations in municipal government."

We will continue to examine the lengthy chapter on the modernization of democracy and the other major parameters of the government program of Carlos Andres Perez on future occasions.

* Political Program Viewed

33480056c Caracas EL NACIONAL in Spanish 10 Nov 88 p 2

[Article by Ludmila Vinogradoff: "Next AD Candidate To Be Elected by Primary System"]

[Text] The Democratic Action will choose its future presidential candidate by means of primary elections, and not the electoral college system which has prevailed to date.

The proposed introduction of primary elections to select the presidential candidate of the party was approved at the meeting held Tuesday in the Central Park at which the government program of Carlos Andres Perez was presented.

Direct, secret and universal balloting within the AD is included in the amendment to the political party law proposed in the program of Carlos Andres Perez. The primary election will eliminate the electoral college mechanism formerly used by the AD.

If the amendment to the party law is approved during the next constitutional term, establishing the primary system as the method to be used, the system of national conventions to choose its candidate will also be eliminated by the Social Christian Party (COPEI). The Movement for Socialism (MAS) began experimenting with primary elections last year.

The government program of Carlos Andres Perez will also include the proposal to strengthen the Supreme Electoral Council and to limit the electoral campaign to 3 months.

Another political reform which incorporated in the Perez program was the approval of the transfer of the authority of the central government to the governors of the states. This is a part of the proposed decentralization of the administration.

It was also agreed to establish a law regulating relations between the national executive branch and the regional executives, in order to avoid clashes and situations of conflict in the event that a governor is in the opposition following the direct election of governors planned for the middle of next year.

In the health sector, the government program of Carlos Andres Perez sets forth the need to decentralize health services.

The role of hospitals will be limited to caring for serious and emergency cases, and other types of care for the public, such as regionalized prevention, will be promoted.

In this connection, the development of a national network of outpatient dispensaries for preventive and primary care is proposed, with the pertinent community participating in their administration with a view to preventing corruption.

* Economic Program Analyzed

33480056b Caracas EL NACIONAL in Spanish
12 Nov 88 p A-4

[Article by Carlos Canache Mata]

[Text] Carlos Andres Perez has set forth the policies which will be pursued in the next 5-year term in order to implement the strategy which is the basis of the economic guidelines of his government program.

The foreign exchange policy will not have a fiscal profile, and it will work toward a flexible single standard "to avoid imbalances resulting from undervaluation or overvaluation of the national currency."

The trade policy will protect products with comparative advantages, taking productivity into account, and the customs duty system will be rationalized. Adhesion to the GATT will be promoted.

The foreign financing policy will be designed to achieve positive net transfers from abroad. Reorganization of the foreign debt will be arranged such as to involve no sacrifice of development or hindrance to meeting the needs of the great national majorities. Foreign financing must be viewed as a complement to domestic savings, and will require "diversification of the sources of funds, through multilateral and bilateral agencies, and the development of global solutions on the regional level." Payment of the debt must be linked with foreign trade and foreign financing, with an effort to make good use of the discounts which our foreign commitments enjoy on the financial markets.

The fiscal policy will have to be based on the "joint implementation of a profound fiscal reform, to replace a system which is inefficient, centralized and backward with another which is efficiently progressive, decentralized, flexible and equitable in terms of the distribution of the burden and benefits." The diversification of the sources of income must be carried further, and expenditures must be controlled efficiently and oriented toward the economically weakest sectors of the population. There will have to be better control of the allocation of subsidies and transfers. Taking the income levels of the various social sectors into account, prices and rates of public services will be rationalized on the basis of selective criteria.

The financial policy will take into account the modernization of the banking system and the strengthening of the capital market, "and in particular the secondary markets, in order to give long-term savings greater fluidity." An increase in national domestic savings will be promoted and more efficiently channeled toward investment. Foreign financing by the banks and multilateral and bilateral agencies will function basically as a complement to domestic savings.

The monetary policy will govern liquidity and interest rates in such a way as to encourage savings and to provide sufficient resources to finance development, without exerting undesirable pressure of an inflationary nature on the exchange parity of the bolivar or promoting speculative shifts of capital abroad.

The credit policy will be focused on the strategic sectors of the national economy, with special treatment for the problem of housing to meet social needs. Credit will have to be decentralized in order to promote more balanced development, both sectorially and geographically.

The policy of transfers to the private sector must not extend beyond the nonstrategic enterprises and sectors of the national economy. Through the capital market, the private sector can participate in the financing of certain public projects. In transfers to the private sector, according to the government, "the main criterion is participation by the largest number of sectors, including labor organizations and associations of small and average businessmen."

The wage policy will be based on giving the worker a more just portion, of the income and the wealth which he helps to create. There will be periodic revisions of minimum wage sums, and collective bargaining will be promoted.

The industrial policy will promote the development of small and average industries, will encourage the establishment of integrated production complexes, will include the financing of and special incentives for nontraditional exports, and will be designed to meet the requirements of technological modernization, while also making use of the existing capacities and resources.

The farm and fishing policy will include the establishment of a system for guaranteeing acceptance of harvests and minimum prices; optimization of the irrigation systems; the development of storage centers and wholesale markets; support for agricultural extension and research; the construction of farm access roads and approval of the Rural Road Engineering Law; the revision of agrarian reform to promote the creation of peasant cooperatives and enterprises; creation of a national fishing corporation; and modernization of the fishing port infrastructure.

In the Ministry of Energy and Mines, an overall energy policy will be promoted; a contribution will be made to more effective action by the OPEC; and rational balancing of internationalization and the development of the domestic oil industry will be sought.

Tourism will be "a national undertaking" in which the public and private sectors, both domestic and foreign, will participate.

Police Arrest U.S. Citizen With Cocaine

PA1312231288 Caracas Venezolana de Television Canal 8 in Spanish 0000 GMT 13 Dec 88

[Summary] As a result of the Judical Police's strict control of international travelers to prevent drug trafficking through Venezuela, Cherryl Lynn Miller O'Connell, a U.S. citizen, was arrested at the Maiquetia Airport as she was preparing to travel to New York with 2 kilos of cocaine, which she purchased in Trinidad. Over the past few months, several drug shipments to Europe and the United States have been intercepted. Police investigations at the Maiquetia Airport have led to the confiscation of large quantities of drugs and to the arrest of several drug traffickers.

Guyana

Hoyte Announces Bauxite Industry Rehabilitation

FL1312191688 Bridgetown CANA in Engish 1441 GMT 13 Dec 88

[Text] Georgetown, Guyana, Dec 13, CANA—Guyana's bauxite industry, one of the main pillars of the economy, will embark on a "total rehabilitation programme" next year and plans to nearly double its export performance by 1991, President Desmond Hoyte has announced. Addressing a weekend rally at Linden, Guyana's premier mining town, he spoke of a number of initiatives being pursued to "gear up" the bauxite industry to achieve its objective of pushing its exports from one million tons per annum to 1.9 million tons by 1991.

He announced that the European Development Fund (EDF) last month approved about U.S.36 million dollars in funding for the rehabilitation programme of the Guyana Mining Enterprise LTD (Guymine). The programme will cover several areas of operations, including mining, processing, transportation and quality control.

In addition, Guymine will shortly open up two new mines—one at northeast Kara Kara and the other at east Montgomery, at a cost of some U.S.30 million dollars. Guymine and its holding company, the Bauxite Industry Development Company (BIDCO), have entered into a joint venture arrangement with Dayco, a Venezuelan firm, which will open a new mine in the Kwakwani area on the Berbice River.

According to Bidco, the Dayco investment of six million U.S. dollars is being financed by the Venezuelan investment fund.

Under the joint venture arrangement, Dayco will open the new mine and deliver 1.3 million tons of ore to Guymine for processing. All the metallurgical ore that will be mined has already been sold under contractual arrangements, Hoyte explained.

Hoyte noted that as part of the "gearing up" arrangements, the industry this year acquired 41 pieces of mainly heavy equipment at a cost of U.S.10 million dollars and has already secured the necessary financing for securing an additional 36 pieces of equipment in 1989. He said negotiations and discussions to reopen and rahabilitate the alumina plant at Linden are continuing, but are taking time because an investor will not disburse millions of dollars without very carefully studying the project and satisfying himself that it has a good chance for success.

Hoyte announced that the transshipment facility being established at the mouth of the Demerara River is nearing completion and should be commissioned by the end of January. The new facility will include a turning basin and a floating storage unit to accommodate large vessels of between 30,000 and 35,000 tons, thereby allowing for the export of larger tonnages at any one time, reducing costs and improving profitability.

Hoyte estimated that the several projects being undertaken by the bauxite industry will generate, immediately, some 500 jobs and that this number was expected to double next year. Given the crucial role the Bauxite industry will be expected to play in Guyana's proposed economic recovery programme, Hoyte said, neither the ruling party nor the government "can tolerate unnecessary disruption in the industry and other forms of foolishness calculated in hinder [as received] production and efficiency."

He called on all persons involved in the sector to use mechanisms already in place for resolving industrial problems and not to resort to actions and activities that will undermine the efforts of the industry to improve its performance. "There is no room for foolishness. There is room only for strenuous and disciplined effort and grasping of all the opportunities that present themselves for the economic development of this region and of this country," Hoyte told the large gathering, which included bauxite workers.

Suriname

Government, Civil Service Workers Agreement

FL1312143988 Paramaribo International Service in English 1730 GMT 12 Dec 88

[Text] The central executive of the Civil Service Organization, CLO, has on Friday last accepted the agreement in principal on salary corrections. The accord was reached between the Civil Service Organization and the negotiating team from the government.

The main points in the agreement are salary corrections for workers up to the 1,100 guilder scale retroactive through January 1, 1982, a cost of living allowance, an increase of pension to [words indistinct] month for workers who have gone on pension, and a family allowance.

During the last month of discussions, the government negotiating team said there will be no negotiations over salaries with the Federal Service Organization for the next 3 to 5 years. During this period, the government wants a peaceful, industrious climate and the CLO was given the opportunity to formulate the conditions for this.

The conditions have in the meantime been presented by the CLO (?and ranges) from price reduction on basic foodstuffs, abundant supply of foodstuffs, to the involvement of the trade union movement in, among others, the price, salary, and profit taxing policy.

The CLO also wants the setting up of a special court to deal with persons who make profits through corruption and that the money be transferred to the state treasury.

Up to this morning, the government has reacted on the CLO conditions.

Labor Party Holds 2d Congress, Reelections

FL1312145288 Paramaribo International Service in English 1730 GMT 12 Dec 88

[Text] The congress of the Suriname Labor Party is satisfied with the developments within the party. The second annual congress of the party took place over the weekend.

During the congress the different party affiliates and organs presented reports of their activities during the past year. In his speech, party Chairman Fred Derby said there was a need for a labor party to look after the interests of the masses. According to Derby, the party has to develop itself. Members should give content to this, said the labor party chairman. He then pointed to the importance of consciousness of members, party unity, and good mobilization.

During the congress, a new party board was chosen. Fred Derby has been reelected chairman of the board who will serve for 5 years. (Nikeran Sharan) of the former board declined nomination.